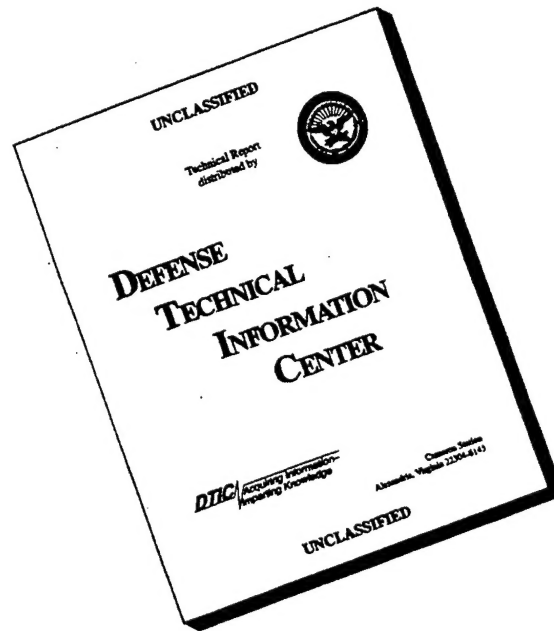


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SPECIAL FEATURE — DSIIC CELEBRATES 25TH ANNIVERSARY

September-October 1996

PROGRAM MANAGER

Privatization

Challenges Confronting Defense Industry

Acquisition Reform Acceleration Day

Eleanor Hill

DEPARTMENT OF DEFENSE PROGRAM MANAGER

- STREAMLINED AUDITING
- STREAMLINED OVERSIGHT
- WASTE, FRAUD & ABUSE
- DELIVERY AND PERFORMANCE
- INVESTIGATIONS
- AUDITOR CENTRALIZATION
- ENVIRONMENTAL COMPLIANCE
- ACQUISITION REFORM LEGISLATION



"Program Managers Need to be Open to Change"

PROGRAM MANAGER

Vol XXV, No. 5, DSMC 134

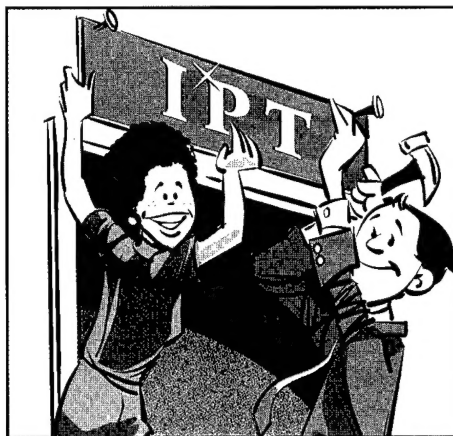


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Pentagon's Top Inspector General Speaks to Program Manager

Program Manager Interview

"Be honest, be fair, be accurate, be thorough...then let the chips fall where they may."

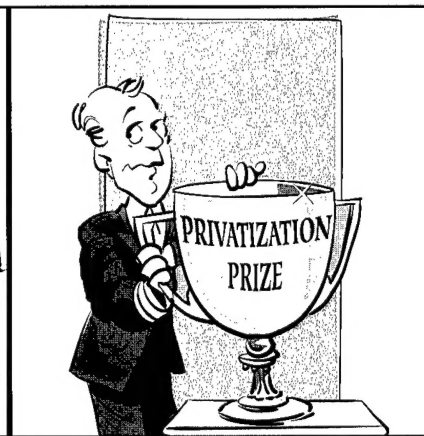


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Capt. Joseph A. Veneziano, USAF

Leadership • Motivation • Delegation • Communication

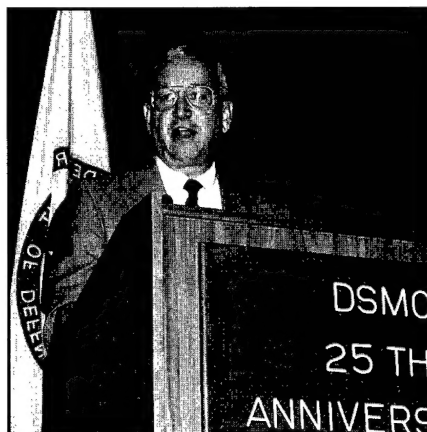


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Privatization and the Defense Worker's Opposition

J. Michael Brower

Sometimes privatization is a good idea...and sometimes it's not.

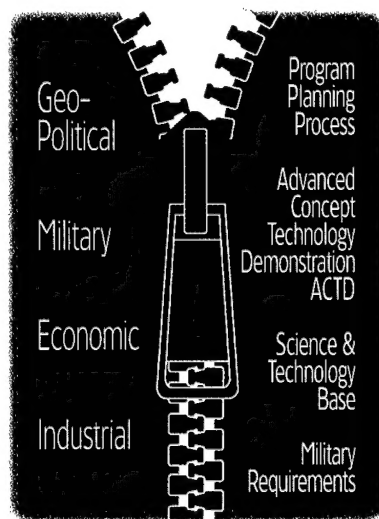


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DSMC celebrates a quarter century of service to the defense acquisition community.



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European & Transatlantic Armaments Cooperation Symposium

Norene Blanch

DSMC hosts an international symposium focusing on practical application of international collaborative programs.



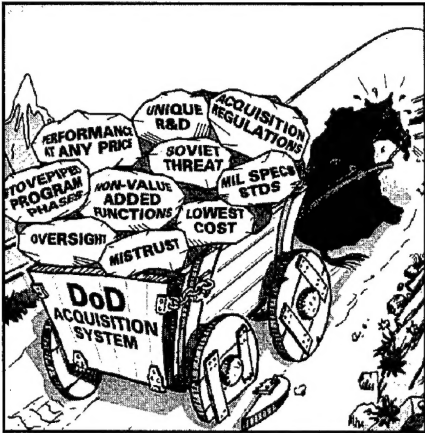
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Minimize burdensome oversight, optimize empowerment of team members, and maximize initiative and innovation.

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Dr. Paul G. Kaminski
“...Today marks the end of the beginning.”

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CORRECTION

In our July–August 1996 issue of *Program Manager*, we reported in our “Inside DSMC” column (p. 9) that Army Col. Richard W. Bregard would become the Dean of College Administration and Services, DSMC, effective July 22, 1996. Bregard has since been diverted to a different assignment, and our new Dean of College Administration and Services will be Army Col. Charles Westrip, Jr., currently assigned to the Defense Logistics Agency — Pacific. We expect Westrip's arrival at the College in August. Look for details of his career in our November/December *Program Manager*.

In the July–August 1996 issue, the p. 1 masthead incorrectly identified the current commandant as former commandant Air Force Brig. Gen. Claude M. Bolton, Jr. Army Brig. Gen. Richard A. Black assumed command March 28, 1996. On p. 9, Army Lt. Col. John Mahony was incorrectly listed as Col. Mahony.



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Pentagon's Top Inspector General Speaks to Program Manager

"Be Honest, Be Fair, Be Accurate, Be Thorough... Then Let the Chips Fall Where They May"

Business is flourishing at the Department of Defense Inspector General (DODIG) located on Army Navy Drive in Arlington. But the new Inspector General, Eleanor Hill, is relishing the challenge. On February 21, speaking from her 10th floor office on Army Navy Drive in Arlington, she spoke to *Program Manager's* representatives at length on the subject of acquisition and procurement reform. Hill is absolutely confident that the DODIG is not only moving out and cooperating with the Pentagon's acquisition reform initiatives, but actively seeking ways to improve on those reform initiatives and processes already established by law or policy.

Don't expect business as usual or status quo from this poised, knowledgeable, articulate former prosecutor and trial attorney. She has keen insight into how she intends to integrate the DODIG's role into the arena of procurement and acquisition reform throughout the Department of Defense. As soon as we can again book a spot on her busy schedule, look for her as a distinguished guest lecturer or visitor to the College's main Fort Belvoir campus. *Program Manager* is indeed pleased to present our interview with Eleanor Hill, the Department of Defense Inspector General.

Program Manager: Let me ask you a little bit about yourself first. As the Department of Defense Inspector General, would you please describe your job for our readers.



ELEANOR HILL, DEPARTMENT OF DEFENSE INSPECTOR GENERAL, SPEAKS TO *PROGRAM MANAGER* FROM HER 10TH FLOOR OFFICE ON ARMY NAVY DRIVE IN ARLINGTON, VA.

Hill: It's a very broad but fascinating job—I'm never bored. There's no danger of that happening. It's the largest of the 28 statutory inspector generals in the government. On the one hand, the statute provides that the Inspector General report to and advise the Secretary of Defense on matters relating to the prevention and detection of waste, fraud, and abuse in all the Department's operations. At the same time, the statute provides that the Inspector General shall report to the Congress, keeping the Congress "fully and currently informed" on those same areas. I know from my years on the Senate staff that the Congress has re-

peatedly emphasized its concern that the Inspector General, while working closely and constructively with Department management, maintain the ability to fully and independently report to the Congress when appropriate.

As far as the scope of our work, our statutory mission is an extremely broad one, giving us audit and investigative authority in any areas of Department operations that the Inspector General considers "appropriate." Generally, we exercise that authority by focusing our attention on allegations of fraud, waste, abuse, misconduct, or other areas of potential impropriety or inefficiency. We do all of that, hopefully with the idea that we can in some way help the Department improve its ability to effectively and efficiently carry out its mission.

Program Manager: Quite an extensive responsibility indeed. We've read in your biography that you have quite an extensive background in the Executive as well as Legislative Branches of government. Would you elaborate on that experience, and tell our readers how those credentials resulted in your appointment as the Pentagon's top Inspector General?

Hill: I have been very fortunate throughout my career. I've loved my career. I've always had great jobs. A lawyer by trade, I started out as a federal prosecutor in Florida. I was an Assistant U.S. Attorney for three and a half years or so; then became what was called a Special Attorney with the Justice Department's Organized Crime Strike Force. In those jobs I was basically a trial lawyer, a litigator, doing a lot of criminal trial work and some civil work, representing the Justice Depart-

Mr. Gibson LeBoeuf, Holder of the Navy Chair, DSMC Executive Institute, conducted the interview with Ms. Hill on behalf of the DSMC Press.

ment and the U.S. Government in a number of cases. From there I did what you alluded to — I left the Executive Branch and came to Washington in 1980 to work in the Senate — the Legislative Branch — which is quite different.

Program Manager: Yes, it is — quite different.

Hill: As it should be. Each Branch should have its own personality and be a little different. I worked there for almost 15 years, working with the Permanent Subcommittee on Investigations in the Senate, which is a subcommittee of the Committee on Governmental Affairs. It's purely investigative in nature and is the largest subcommittee in the Senate. It does congressional oversight and has a broad, broad mandate for oversight of all government programs, including: criminal activity; law enforcement issues; waste, fraud, and abuse; and all kinds of things. I started there as an Assistant Counsel; then became Chief Counsel to the Minority; then became Chief Counsel and Staff Director for the Majority; and then went back to Chief Counsel for the Minority right before I became the DODIG.

Throughout that time, I developed and put together investigations and hearings, and managed the staff — all for Senator Nunn, Sam Nunn of Georgia, who was the Chairman and Ranking Minority member throughout the years I was there. So I worked closely with Senator Nunn who, as your readers would know, at the time was also the Chairman and now is the ranking Minority Member of the Armed Services Committee. So although I wasn't solely involved in defense issues, I had some interplay with defense issues because of the relationship between certainly our Subcommittee, the Armed Services Committee, and Senator Nunn.

I think I've been fortunate in that my work with the Justice Department certainly gave me a good idea of how to investigate a case, how to put together a criminal prosecution, that sort of thing, which now serves me well as the Inspector General. My work in the Sen-

ELEANOR HILL

Department of Defense Inspector General

On March 1, 1995, Eleanor Hill took office as the Inspector General of the Department of Defense. She was nominated for the post by President Clinton on January 5, 1995, and was confirmed by the Senate on February 24, 1995.

From 1980 through February 1995, Hill was associated with the United States Senate's Permanent Subcommittee on Investigations, where she managed a wide variety of complex domestic and international investigations over the years.

Throughout her tenure as the Subcommittee's Chief Counsel to the Minority (1982 — 1986 and January — February 1995) and Staff Director and Chief Counsel (1987 to 1994), she served as principal advisor to Senator Sam Nunn (D-Ga.) during his tenure as both Chairman and ranking Minority Member of the Subcommittee on a host of investigative, oversight, and criminal law issues.

In her work at the Subcommittee, Hill directed investigations and prepared public hearings on, among other things: organized crime; money laundering; federal drug enforcement efforts, including those by the Department of Defense; fraud and abuse in federal student aid programs; fraud and abuse in the insurance and re-insurance industries; allegations of mismanagement in the Blue Cross and Blue Shield system; oversight of the federal security clearance programs; and labor racketeering. In doing so, she supervised a Subcommittee staff of attorneys and investigators and worked closely with other congressional offices, the General Accounting Office, and numerous federal, state, and local agencies.

As a result of those investigations, Hill was directly involved in the legislative process in a number of areas, including substantial work on comprehensive anti-crime and anti-drug legislation in 1984, 1986, and 1988; student loan reform proposals in the Reauthorization of the Higher Education Act; and drug enforcement-related amendments to the 1989 and 1991 National Defense Authorization Acts.

In 1987, Hill also served as counsel to Senator Nunn for purposes of his tenure on the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition.

Prior to her work in the Senate, Hill had extensive experience as a federal prosecutor and trial attorney. Upon her graduation from law school in 1974, she served first as an Assistant United States Attorney and subsequently as a Special Attorney with the Department of Justice Organized Crime Strike Force — both in Tampa, Florida. She directed numerous federal grand jury investigations and tried a wide variety of federal criminal cases, including lengthy and complex prosecutions of organized crime, racketeering, fraud, public corruption, and white collar crime.

Recognized for her investigative experience in both the Executive and Legislative Branches, Hill has been commended by law enforcement and civic organizations, and has been a featured speaker at numerous professional meetings and seminars.

A native of Miami Beach, Florida, Hill graduated magna cum laude from Florida State University in 1972 and received her law degree, with high honors, from Florida State University College of Law in 1974. She is a member of honoraries Phi Beta Kappa and Phi Kappa Phi.

Hill is married to Washington attorney Thomas Gross. They have one son, Bryan Michael Gross, age two.



ate I think, particularly because of the Subcommittee I was with, and Senator Nunn's work, gave me a tremendous background in oversight and a real good insight into how government works and how it should work, e.g., efficiency issues, fraud issues, abuse issues — all of that has served me well in the time that I've been in this job.

Program Manager: *We're going to have to invite you down to the College to speak to our program managers. In that vein, we've had the former Deputy Inspector General, Derek Vander Schaaf, speak at our College on various occasions. More recently, he made a speech at the school in which he stated that, "The Inspector General has been in the forefront of acquisition reform." Would you care to further elaborate on his statement?*

Hill: I know that long before I came to this job, Derek was very active in the acquisition reform effort. He spent a lot of hours working with our staff and the Department on how to really polish the proposals for acquisition reform — what makes sense and what doesn't. In that respect, I agree with him completely. I think that acquisition reform is something that, historically, this organization has supported in the government. Obviously the goal of acquisition reform is to make the whole procurement and acquisition process much more efficient, much more streamlined, enabling program managers to get the job done with the least amount of paperwork, burdensome oversight, and unnecessary work possible. And that is something that, by its nature, the DODIG would support.

Our people have been actively working acquisition reform issues through the legislative process; we've given substantial comments to Capitol Hill on different legislative proposals for acquisition reform. Our staff has worked extensively with a number of groups in the Department that have been drafting reform proposals and putting together the Department's views on how to implement them. We've been a part of that entire effort. So Derek is right. The DODIG has been very actively in-

involved in acquisition reform, and they should be, and will continue to be, as that process evolves.

Program Manager: *You've basically affirmed to our readers that the DODIG has been involved in and felt the effects of acquisition reform. How is it changing the way you actually conduct the business of the DODIG?*

Hill: It has become a priority for us in terms of giving advice, working with management, and commenting on legislation. We spend a lot of time on it. It's an issue that we didn't spend as much time on years ago because the proposals weren't out there. It's also affected us in terms of how we do things like audits, investigations, and oversight — I don't think it's going to radically alter the fact that we're still going to do those things. But obviously, our emphasis is going to be targeted to areas in the new process that make sense, those areas where we can most effectively use our resources.

Also, the whole idea of streamlining the procurement process and the acquisition process includes addressing complaints that there has been too much paperwork, too much oversight, too many audits. That has affected us in that we have been actively involved with the other audit agencies in trying to tailor our audit and oversight processes to really get the "biggest bang for the bucks" so to speak. We want to improve oversight to the point where it's effective, but not unreasonably or unnecessarily burdensome on program managers and people who operate acquisition programs. So I would say that we've adapted and are still in the process of adapting to the new procedures. However, I don't think it's going to radically change or eliminate most of the things that we have historically done.

Program Manager: *One of Paul Kaminski's hot buttons in the acquisition reform implementation has been Integrated Process and Product Teams or IPPTs. They've sort of become the cornerstone of acquisition reform. How does the DODIG play a role in*

these IPPTs, and yet maintain their independent oversight role?

Hill: We have been active in some of these process action teams that, as I understand it, have looked at more systemic, broader issues of how to put these reforms in place. We have been supportive of those efforts, and I think we should be. On the IPPTs, however, I think there may be a couple of issues that would limit our ability to participate.

One, as I understand that process, they're going to address fairly specific projects and programs. So it raises in my mind a resource issue. We are in a downsizing mode right now along with the rest of the Department, and I'm not sure that we could maintain an active and productive role in each one of those IPPTs, and yet still be able to fulfill our oversight and audit responsibilities elsewhere. So I don't know that we have the resources to do it full force.

The second issue concerns the question of independence. As I understand the IPPTs, they are going to be making management decisions for programs, and really putting those programs on a path in one direction or another. I don't know that we should be a part of the management decision making team. We are more of an overseer and an advisor. Certainly, there's a role for us if an IPPT needs advice in an area where the DODIG staff has developed considerable expertise. We clearly should give the IPPTs the benefit of what we have learned in our work that may help them make their management decisions. On the other hand, I don't know that the DODIG should be an active participant in making management decisions when we then have to do subsequent oversight on the effect of those decisions. We can work with the IPPTs as advisors, but probably not as a *formal* part of the decision-making process.

Program Manager: *Yes, we understand completely that the DODIG must, of necessity, maintain its role of oversight and auditing. As you know, much of the acquisition reform agenda is directed toward the program managers' use of good judg-*

ment, and we're trying to focus now on more risktaking as opposed to risk aversion. With that kind of a philosophy for program managers, what kind of concerns might you have regarding this new way of doing business?

Hill: The old saying, "moderation in all things," probably best summarizes my concerns. Perhaps I was a prosecutor too long. When I hear talk about more risk-taking, I just hope that we don't go from one extreme to the other. I realize that over the years the acquisition process had become so overburdened with rules, and regulations, and processes, and paperwork that it was not very efficient. Clearly, I am very supportive of doing away with some of that and getting down to the basics so that we can accommodate risktaking where it's reasonable and makes sense. There are ways that program managers can do that. As I said, however, we have to practice *moderation* as we do this — we need to have some reasonable balance. It's one thing to say we want to take reasonable risks and not unreasonable risks; it's another thing for people to jump from that and assume that we are taking *all* risks and that there is *no* risk.

My own view comes from years of oversight of federal programs and years of handling criminal prosecutions. I have done a lot of work on fraud cases — criminal fraud, including abuse of government programs. The one thing I have learned over the years is that if you have a lot of government money available in a program — I don't care which Department it is — and there is a belief in the public domain or in the minds of the people who deal with that program that the controls are very lax and there is very little oversight, you are going to have problems. Some people are going to come in and try to take advantage of that program.

I keep hearing talk about the quantity of risk. Well, the problem is, risk is almost impossible to quantify. If you only have one person out there who's going to take advantage of that program, some may say you have just one incident of abuse. But that one person can run a scheme that can bilk the government of millions



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and millions of dollars. So I think we have to use common sense and good judgment. And we have to make very clear to people that yes, we are going to take some risks. But we're not opening up the programs to every risk. We are going to continue with some effective oversight and some effective controls on these programs. And I think as long as that message gets out there and we steer somewhat toward the middle, I think we're on a good course. But the danger is that somebody may take it the wrong way and just say, "well nobody watches anything anymore, the gate's open — let's go"; inevitably, that's what we must guard against.

Program Manager: Along those same lines then, the movement now in acquisition reform is really to put more trust in the contractor or "self-governance" with less regulation. Do you believe this is a good idea? Why or why not? Will this, in your opinion, result in increased contractor fraud or increased workload for your organization?

Hill: I think self-governance is a laudable goal, and it's a good idea in the sense that government ultimately must, to some degree, work on the honor system. We don't have the resources, particularly in these days of budget constraints, to police every aspect of federal contracting, just as we don't have the resources to police every street corner in America. Every bit of good self-governance that we can get out of the defense industry is going to be a positive thing. It's going to help us in the sense that the more the industry looks after its own house and has good controls, the more it helps the government to have those controls in place, in addition to the federal resources for additional oversight.

On the other hand, I don't think you can rely completely on self-governance. You have to couple self-governance with some effective oversight. The defense industry, like any industry, has to understand and believe that even though we're becoming more streamlined and relying more on them in our oversight efforts, and they're seeing us less often, that there's still a chance they're going to see us. And they have to understand that

when they do see us, we're going to take a thorough look at what they're doing. You have to have the belief and the acceptance in the industry and in the private sector that there is going to be some government oversight.

I'm not speaking so much to those who would never misuse a government program — and I'm sure that's the majority out there — but to the few who would be tempted to abuse a government program. They need to know that there is a chance they're going to get caught. And that happens when you have effective oversight. So, I think we should work with industry; we should get them to do as much self-governance as they can. We should set high standards for self-governance and work with them so that they do it in the best way possible. But we have to couple that with the idea that there is going to be some checking. There is still going to be some good, thorough oversight by the government. Maybe not as much, but enough that people will know that there are still rules and regulations, and standards that must be complied with.

Program Manager: *Then obviously, self-governance is not just a case of handing the keys over to the contractor. Let's turn back to acquisition reform. This next question has a little bit to do with IPPTs, but we'll touch base on some other issues. As DoD increasingly adopts commercial specifications and standards, commercial products and services, and commercial practices, what role change do you see for the DODIG?*

Hill: We've been supportive of commercialization where it's reasonable and traditionally have endorsed efforts to increase reliance on commercial products where it makes sense. However, I'm somewhat concerned that some people may think that commercialization is going to solve everything and eliminate all the problems. There are still potential areas for problems, even with commercial products. For instance, we do a lot of work now on this whole issue of determining what requirements are going to be. And that's going to be true, even if you go commercial. Somebody is going

to be looking at whether the decision to use this particular commercial product or this type of product makes sense, and whether it really is going to get us where we want to go. So we're still going to be looking at that. We're still going to be looking at the delivery and the performance of government contracts, even if they're commercial. Finally, even in the commercial sector, large companies do require certain cost and pricing data. So you're still going to have issues of reasonableness and accuracy of cost and pricing. Frankly, I think we may be focusing more on different aspects of the process, but the workload will pretty much be the same.

Program Manager: *Let me turn your attention now to the Roles and Missions Commission. We're going to ask you one somewhat broad question, and then go through some other related items. What is the DODIG's position on the following recommendations that were recently proposed by the Roles and Missions Commission? The first one is the issue of Centralizing the Acquisition Audit Planning.*

Hill: We've made a lot of steps in that direction — centralizing in the sense that we have our organization working closely with the military auditor general organizations and the Defense Contract Audit Agency (DCAA). We have set up audit planning processes wherein we are trying to get all the heads of the Department's audit agencies together on a regular basis to really advise each other on what we're planning to do. We try, to the extent we can, to make sure that we're really targeting our resources on the things that make sense; that we are not duplicating each other; and that we're not sending 10 teams of auditors to the same institution or office to do the same thing. And I think that's what the Commission was getting at — that we ought to try and streamline the process.

I think it's working quite well. But there's another part to it that we need to factor into the process. We're just starting to get, in addition to having the audit teams talk about what they're going to do, some input from acquisition management as to what they need us to look at — what

makes sense in terms of their own needs as managers. I'm told we are now starting to get that kind of input from the acquisition community. Hopefully, that process will continue; the longer this process goes on, the better it's going to get.

Program Manager: *Along those same lines, what is the DODIG's position on the next recommendation made by the Roles and Missions Commission, which was coordinating the work of the government auditors with the work of the contractors — both internal and external auditors. We notice you have all of the DoD auditing agencies meeting — are you including the contractors?*

Hill: This gets to an area that we talked about previously — the self-governance issue. And there are some programs that have been set up — DCAA has done some work in this area. In fact, I think DCAA, before they actually go in, really looks at what the contractor is doing in terms of their own internal audits. There's a program called the Contract Risk Assessment Guide Program. In planning an audit, it helps us ensure that we don't unnecessarily duplicate things that the contractor is already doing. So I think that's another good recommendation; it's already being done to some degree, and I think it's going to be done more and more in the future. The more sophisticated these self-governance programs get in industry, the more you're going to see that interface between their auditors and ours in terms of planning overall audit approaches, what we're going to look at, and what we don't need to look at.

Program Manager: *With a little stretching, one could almost label that an IPPT of sorts.*

Hill: You're absolutely right. I've spoken to some industry groups. There's a defense industry initiative on ethics, which focuses not only on business ethics and good government and business principles, but also on this whole issue of self-governance. And I know they've put a high priority on that, and they have very strong supporters of it within their membership. There's a very healthy move in

the defense industry to really make that a serious effort. They're working to get it to the level where government can look at it and feel fairly comfortable that the industry's doing the right thing.

Program Manager: What is your position on permitting defense contractors to use modern commercial activity-based cost accounting systems to meet the government's needs for cost data?

Hill: Not being an accountant, this is not my particular area of expertise, but as I understand it there have been some studies done of these "ABC" systems, and there are still some questions out there. Some contractors feel it's too expensive, that it doesn't really suit their needs. Some question how effective it may be, suggesting that other systems are better. Until we have a better feel for whether this makes sense and if it makes sense for everybody, I think you should give some leeway to the contractor to really decide what fits their particular situation best. Apparently, there's still some concern out there that it may be good for some people, but not for everybody.

Program Manager: Do you support the recommendation to consolidate the Defense Contract Audit Agency with the Defense Contract Management Command?

Hill: Now that one I'm reserving judgment on because, as you probably know, we are in the middle of a study on that very issue. There's a lot of proposals out there about consolidating activities, about streamlining government, and becoming as efficient as we can in areas where there may be duplication of effort. And I think that was a concern about DCAA and DCMC; that it might make more sense to consolidate their activities. The Department has asked us to do a study on that issue, and we are doing it. We're going to try and give it the most in-depth review possible, including whether there should be total consolidation, whether there are some possibilities for partial consolidation, or even no consolidation. So we'll look at a whole spectrum of alternatives to decide which one really makes sense in terms of effectiveness for the Department. At this point, I don't



Every bit of good
self-governance
that we can get out
of the defense
industry is going to
be a positive
thing...the more
the industry looks
after its own house
and has good con-
trols, the more it
helps the
government to have
those controls in
place...

want to jump to an unfounded conclusion before the study is done.

Program Manager: Understandable. Having gone through all this discussion, and knowing how the government is heading with acquisition reform and with the new legislation that just passed, what would be the single most important advice or counsel that you would give to a new ACAT I or II program manager?

Hill: I'd probably tell them a couple of things. Number one — they need to be open to change. They cannot be wed to traditions, rules, or processes that may have been around for years and years and years, but that no longer make sense. Things are changing in government; I think that's pretty obvious. And you cannot hold on to the status quo and hope it's going to stay that way forever without opening your eyes and looking around you, and seeing how everything is changing around you.

So they need to be open to change. And they also need, in dealing with change, to exercise really good judgment. They need to use some common sense in all of this. I would say, "Look at what it is you're doing; you know where you want to get; are you doing this in the most reasonable, and rational, and effective way? Does it make sense in terms of where we want government to get to?" That sounds pretty simple; however, as they say occasionally, "common sense is not so common." Sometimes that's true. I just think program managers need to be open to change, look at what's being proposed, and try and use their best judgment — the judgment they would use in the most important of their own affairs — and apply it to what they're doing for the government. It's a tough job, and it's tougher, I believe, as things change around you.

Program Manager: We assume also that taking some of the counselor advice that the IG might have on an IPPT when they're dealing with a program manager might be another category of advice you would support for ACAT I and II program managers?

Hill: Yes. We would certainly hope they would be open to our advice, and try

and seek the best advice, not just from the IG, but from people who have dealt with the problem and have seen it from other perspectives. I would say, "Get as much information as you can; then use some good common sense and well-reasoned judgment, and hopefully you'll make the best decision for your program."

Program Manager: *We have one last question, and this may go back to a parent or whomever. You've obviously had a very phenomenal career. What is the best advice you ever received from anyone that brought you to the position in government that you occupy today?*

Hill: I have been very fortunate in that I've gotten lots of good advice over the years from many, many people — from mentors and friends and people I've worked with. So it's really hard for me to single out one specific thing. Probably what I would say is that both my parents — my mom and my dad together, not only by what they said but by their actions — really gave me the message early on that you need to be honest, you need to be fair, you need to be thorough in what you do. Then they coupled that with (and this is equally important) you

need to treat people the way that you would want to be treated. That may sound pretty basic, but sometimes if you stick to the basics, everything else seems to fall in place. And I think, in a lot of ways, that has been a real good guidepost for me, not only in terms of my job, but my life across the board. But that's a tough question...

Program Manager: *Yes, but that's a good answer. We think those attributes you just mentioned are a sound foundation for your current job, and a sound philosophy for life in general.*

Hill: It was difficult, certainly as a prosecutor and even in the Senate as a congressional investigator, to sometimes tell people things they didn't want to hear; and certainly the IG does that too. But I have always felt, whether I was drafting indictments or writing a draft of a Subcommittee report, or reviewing an internal inquiry here, that if you do a thorough job, you're accurate, and you're fair and balanced, you have to let the chips fall where they may, and people can't fault you for that. That's a tough standard to live up to sometimes, but that's what we strive for.

Program Manager: *We want to make sure that we didn't leave an opportunity for you to convey any other message you might have for our readers.*

Hill: The only message I would have is to remember we are the Office of the Inspector General for the Department of Defense. We work not only for the Congress, but we also work for all of the Department of Defense. If they think we can help them — I know with downsizing and other changes it's a difficult time for the Department as it is for other agencies — that's what we're here for.

Program Manager: *We think that's a good point to get across. Some people tend to forget that the DODIG does work for the Congress as well as the DoD.*

Hill: We do. Just because we work for the Congress doesn't mean that we cannot help the Department and vice versa. We're supposed to help both of them — and we hope we're doing just that.

Editor's Note: *Program Manager gratefully acknowledges the assistance of Bill Price and Cindy Comstock, DODIG, in coordinating the interview and final manuscript.*

DIRECT SATELLITE BROADCAST

Sponsored by the
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Joint Group on Systems Engineering**

Date: September 5, 1996

Time: 11:30 a.m. - 3:30 p.m. (EDT)

Location: For area availability call (703) 418-4574, ask for "JLC Broadcast"

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Kaminski Signs Memorandum Implementing Civilian Career Development Program for OUSD(A&T) Staff



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MAY 29 1996

MEMORANDUM FOR OUSD(A&T) PRINCIPAL STAFF ASSISTANTS
SUBJECT: Civilian Career Development in OUSD(A&T)

Our people are the most important asset we have. I know how fortunate I am to be supported by a staff of professional, competent, and dedicated career civil servants. In the current era of budget cutbacks, downsizing, and organizational reinvention, it is imperative that we maintain the high A&T staff quality that I and my predecessors in this job have always relied on. To do so, I have approved a new civilian career development program.

My vision is that this new program will provide an opportunity for OUSD(A&T)'s career civilian employees at grades GS-13 through SES to seek out and complete developmental assignments in government or industry, in the United States or in other countries. The intent is for developmental assignments to be voluntary, flexible, tailored to individual needs, and broadly based.

This program will help both the overall A&T organization and individual members of the career staff to accomplish a couple of key objectives. First, it will increase organizational productivity and effectiveness by providing A&T with a broader perspective and increased appreciation for diverse mission requirements. Second, it will broaden the experience base of the A&T career staff to enhance both technical and managerial expertise. My view is that individuals who capitalize on this opportunity will help their chances for advancement and growth as professionals in our business. It's the right thing to do for the organization and for our career professionals.

I have established the A&T Civilian Career Development Board to provide overall guidance and direction. This Board will be led by the Principal Deputy Under Secretary of Defense for Acquisition and Technology. I have also established an Executive Committee to support the Board by assisting A&T supervisors in program implementation. The Executive Committee consists of five members chosen by the Board; its membership and chairmanship will rotate biennially. The Director of Acquisition Program Integration will serve as the first chair of the Executive Committee.

Attached to this memorandum is an information booklet providing more details about the program and the names of people to contact for further information. I look forward to your enthusiastic support of this new program.

Paul G. Kaminski
Paul G. Kaminski

Attachment



OUSD(A&T) Publishes Civilian Career Development Information Booklet

Editor's Note: The text shown below is an excerpt of Under Secretary of Defense for Acquisition and Technology (USD[A&T]) Paul G. Kaminski's Information Booklet, *Civilian Career Development Program for OUSD(A&T) Staff*, May 29, 1996. Dr. Kaminski encourages civilian employees at grades GS-13 through Senior Executive Service (SES) levels to seek out and complete developmental assignments in government or industry, in the United States, and in other countries.

The USD(A&T) has established the Acquisition and Technology (A&T) Civilian Career Development Program. In the current era of budget cutbacks, downsizing, and organizational reinvention, it is imperative that A&T maintain its high staff quality.

Background

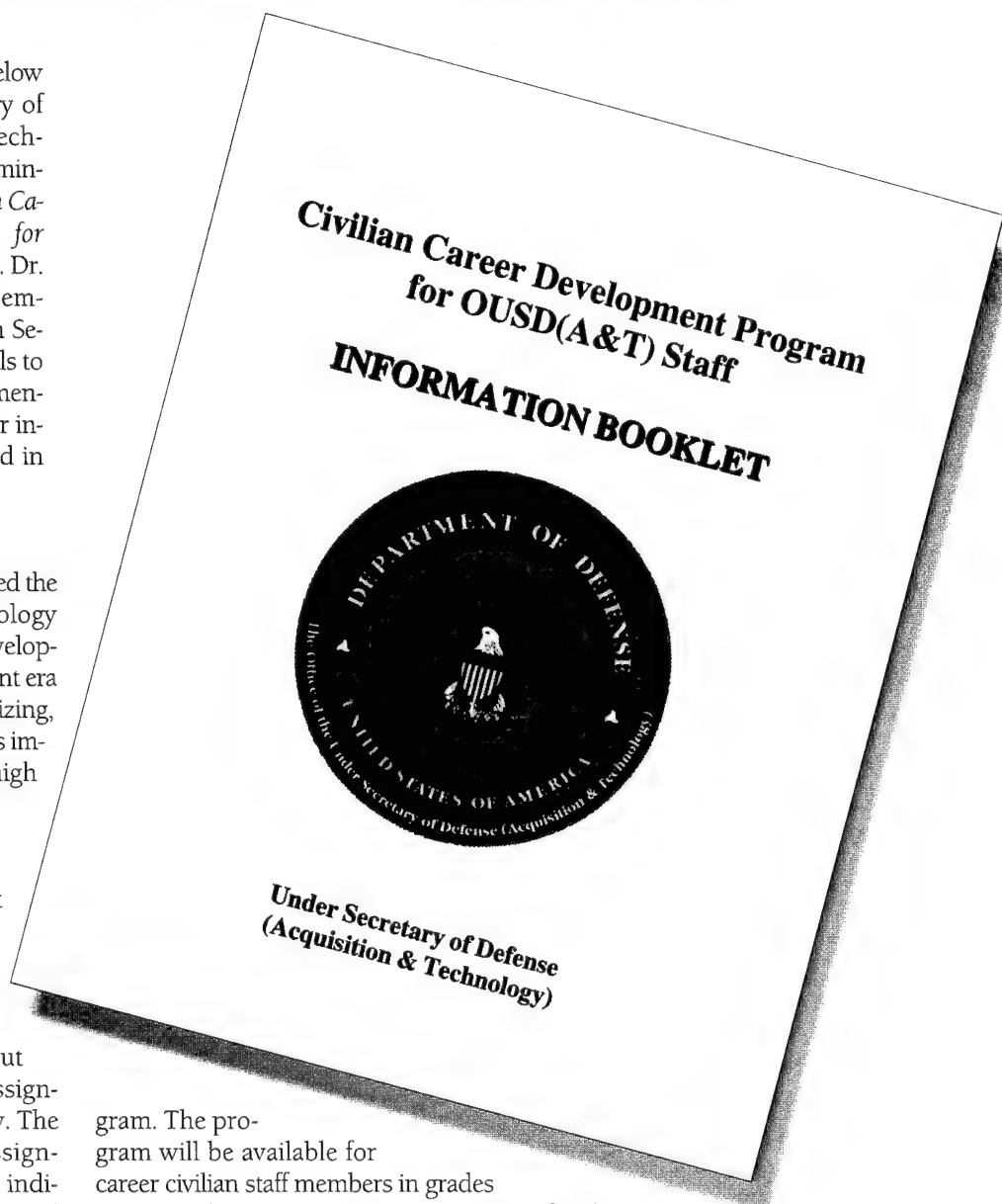
The Civilian Career Development Program is an opportunity for the Office of the Secretary of Defense (Acquisition and Technology) (OUSD[A&T]) career civilian staff members to seek out and complete developmental assignments in government or industry. The intent is for developmental assignments to be flexible, tailored to individual and organizational needs, and broadly based; candidate organizations for developmental assignments, for example, would include OUSD(A&T), other organizations within the Department, private sector organizations, other U.S. Government departments and agencies, even government departments of other nations. The program is *entirely voluntary*; no one will be required to participate in this pro-

gram. The program will be available for career civilian staff members in grades GS-13 to the Senior Executive Service (SES) levels.

Program Objectives

This program will help both the overall A&T organization and individual members of the career staff to accomplish two key objectives. First, it will increase organizational productivity and effectiveness by providing A&T with a broader perspective and increased appreciation

for diverse mission requirements. Second, it will broaden the experience base of the A&T career staff. The career development program will provide an opportunity for A&T employees to refresh their skills, learn more about other organizations, and gain additional career experience. It's the right thing to do for the organization and for our career professionals.



Program Management

The A&T Civilian Career Development Board will provide overall guidance and direction. This Board will be led by the Principal Deputy Under Secretary of Defense for Acquisition and Technology (PDUSD(A&T)) and will consist of A&T executives (career and non-career). The PDUSD(A&T) will also appoint one career staff member each from the ranks of GS-13 through GS-15 to serve on the Board. In addition, the USD(A&T) has established an Executive Committee to support the Board by assisting A&T supervisors in program implementation. The Executive Committee consists of five members chosen by the Board; its membership and chairmanship will rotate biennially. The Director of Acquisition Program Integration will serve as the first chair of the Executive Committee (the charter of the Board and Executive Committee are outlined in the booklet).

How Does the Program Work?

The program depends fundamentally on the initiative and enthusiasm of individual A&T employees and their supervisors. The program is *voluntary* – individual staff members who want to complete developmental assignments in other organizations need to take the initiative to identify candidate organizations that may be interested in accepting them for developmental assignments.

While the success of the program depends on this type of personal initiative, there are resources upon which interested staff members can draw to help them identify potential assignments. The most important resource is the employee's immediate supervisor. Consult with him or her about your career plans and the types of professional experiences you would like to pursue. Another important resource is the Executive Committee. A central role of the Executive Committee is to act as an agent for staff members interested in identifying developmental assignments.

Finally, applicants are required to complete and submit an Individual Development

Plan (IDP). The IDP is a basic "roadmap" of an individual's career objectives and the steps he or she plans to take to achieve these objectives. Completion of the IDP is a very useful exercise that will help applicants clarify their career goals and identify appropriate developmental assignments. The IDP form is included in the Information Booklet.

"Imports" and "Exports"

While the focus of the USD(A&T)'s initiative is on providing a supportive structure for A&T employees (our "exports") to seek out and complete challenging developmental assignments in other organizations, it is important that the entire defense acquisition and technology community, including the Military Departments and Defense Agencies, provide similar opportunities. A key element of enriching the career development of the Department's acquisition professionals is facilitating exchanges between organizations. Such exchanges provide an opportunity for employees to develop new skills and broaden their perspectives.

To facilitate this aspect of the program, the Board and Executive Committee will work closely with the Military Departments and Defense Agencies to identify individuals within their organizations (our "imports") who are interested in completing developmental assignments within OUSD(A&T). In addition, the Board and Executive Committee shall coordinate "import" personnel actions with the Director of A&T Administration to ensure compliance with Administrative Instruction 53, "Temporary Staff Augmentation." The A&T career development program is *not* intended to augment the OUSD(A&T) staff.

Types of Developmental Assignments

Staff members are encouraged to seek developmental assignments in a variety of organizations: within the Department, in other government agencies, in the private sector and academia, and in government departments of other nations. There is no "standard"

assignment; each rotation will be negotiated on a case-by-case basis to ensure that it meets the needs of the staff member, A&T, and the "receiving" organization in which the staff member will be accepting an assignment.

To the greatest extent practicable, the A&T Civilian Career Development Program shall take advantage of administrative arrangements that *already exist* to support developmental assignments (e.g., temporary details, leaves of absence, internships, etc.) to implement the program. The main role of the A&T career development program is to establish a supportive management structure to assist employees in meeting their career development objectives and to help the overall organization become more productive.

Applicants should note that certain types of assignments may be more difficult to secure than others. For example, procurement integrity and conflict-of-interest statutes *may* prohibit certain staff members from accepting a developmental assignment with a defense contractor. Program participants shall work with the Executive Committee and the General Counsel's Standards of Conduct office to ensure that all government-to-industry and industry-to-government assignments are in full compliance with applicable statutes and regulations to avoid real or perceived conflicts of interest. This requirement is particularly important in the case of private sector organizations with which the Department does business.

Duration of a Developmental Assignment

Developmental assignments will generally be one year in duration, although a range of six months to three years is permissible. The intent is for assignments to be of sufficient duration to provide a meaningful experience for the employee. Employees interested in multi-year assignments outside the Washington, D.C., metropolitan area should be aware that such assignments may impact state residency and state tax status.

Employee Rights

While on developmental assignment, A&T staff members are still employed by A&T. Therefore, the employee never leaves his or her position of record and continues to receive his or her full compensation package. While not formally a movement from one position to another, a developmental assignment under this program is considered to meet the definition of rotation for purposes of the five-year review of employees serving in critical acquisition positions. The five-year review is a requirement of the Defense Acquisition Workforce Improvement Act. It is important to note that acceptance of a developmental assignment is a neutral choice as far as downsizing considerations. An employee incurs no more or no less risk by accepting a developmental assignment.

Performance Evaluations

The employee's home A&T organization will evaluate his or her performance for the period of the developmental assignment and will be the decision authority for any performance awards, quality step increases, or within-grade increases. The performance evaluation will be based on appropriate input from the employee's supervisor at the receiving organization.

Funding

The exporting and importing organizations will work together to arrange an equitable sharing of program costs. In general, Temporary Duty (TDY), training, per diem, and associated costs for program participants shall be borne by the individual's home organization, except that the receiving organization shall normally bear any costs *directly* related to the individual's assignment while in the receiving organization.

Eligibility

Eligibility criteria are as follows:

- A&T staff members at grades GS-13 through SES (including Defense Support Activity employees).

- Most recent two performance evaluations at "Fully Successful" or above.

How To Apply

To apply, eligible employees should follow these steps:

- Discuss your intentions to seek a developmental assignment with your immediate supervisor.
- Solicit your supervisor's assistance in identifying developmental assignments that complement your career development plans.
- Complete a Statement of Interest and Individual Development Plan.
- Prepare an up-to-date resumé or job application form.
- Have your immediate supervisor *fill out the appropriate sections of these forms*.
- Submit your application, IDP, and resumé to the points of contact listed at the conclusion of this article.

How Assignments are Approved

In general, assignment approval is based on the employee and his or her immediate supervisor reaching agreement on the location and duration of the developmental assignment. If the employee and immediate supervisor agree on the specifics and are able to secure an appropriate assignment, then no higher-level approval is necessary (although some coordination with higher-level management may be necessary). In reviewing employee proposals, supervisors shall take into account the quality of the employee's supporting rationale and IDP.

In those cases where both the employee and immediate supervisor agree that completing a developmental assignment would be beneficial to the employee and the organization, but are unable to secure an assignment, the Executive Committee will provide assistance to the employee and the immediate supervisor in identifying challenging assignments.

In *all* cases, employees should take the steps outlined in the "How to Apply" paragraph discussed previously. The application form, IDP, and resumé will serve as a central database for use by the Board and Executive Committee to monitor program status and implementation.

Required Paperwork

Program participants should be aware that, depending on the type of assignment being sought, there may be additional paperwork requirements. For example, an employee setting up an assignment with a defense contractor would need to complete certain forms as specified by the General Counsel's Standards of Conduct Office.

Program Status

The Executive Committee shall convene at least once a quarter to review applications. The purposes of this review shall be to:

- determine if there are any employees who require the Executive Committee's assistance in identifying developmental assignments;
- assign Committee members to intervene on behalf of employees requiring assistance. Assigned Committee members shall attempt to *match developmental* assignment application requests with available positions in other organizations; and
- assess overall program status.

The *Board* shall convene at least once a year to review overall program status and modify the program as appropriate.

Editor's Note: For more information, please contact **Dr. Joseph Ferrara** at (703)697-3459 or **Ms. Julie Bigler** at (703) 697-9507. Ferrara is the Executive Secretary to the Board and Executive Committee. Bigler is a Personnel Analyst with OUSD(A&T) Administration.

Getting Back to Basics in the Acquisition Workforce

Leadership • Motivation • Delegation • Communication

CAPT. JOSEPH A. VENEZIANO, USAF

In the Jan-Feb 96 issue of *Program Manager Magazine*, Berwyn Jones expressed his belief that government is experiencing "alarmingly low success rates for reinvention, reengineering, and quality improvement processes."¹ He cited "the lack of top or middle management support and the lack of strategic planning" as the reasons for the low success rates in the latest innovations in acquisition management. If Berwyn Jones' assertions are correct, I believe the reason for the apparent lack of top or middle management support may be the dissonance generated in the workplace by the overuse or misuse of the terms *reinvention*, *reengineering*, and *quality improvement processes*.

I am a strong advocate for revolutionizing the way we do work. I believe we need to do things "faster, better, and cheaper" to survive budget constraints and still carry out our mission. Further, I believe the proper implementation of the latest and greatest buzz words — *reinvention*, *reengineering*, *total quality management*, *strategic planning*, and *empowerment* — can result in faster, better and cheaper. However, I also believe cram-

ming those buzz words down a naysayer's throat can result in total disaster. Therefore, I intend to describe ways program offices can do things faster, better, and cheaper for the individual who cannot stomach words like *reinvention* and *reengineering*. I will do this by going back to basics and emphasizing fundamental principles of leadership such as: *motivation*, *delegation*, *communication*, *vision*, and *inspiring trust*.

Problem — Acquisition's Seven Cardinal Sins

First, I will highlight seven generic acquisition problems which I frequently observed among program offices, users, and contractors. These common problems often prevented the government from doing things faster, better, and cheaper. Then I will discuss how visionary leaders can avoid these common problems by *motivating*, *delegating*, *communicating*, *providing vision*, and *inspiring trust*. I will refer to the seven common acquisition problems as "Acquisition's Seven Cardinal Sins."

Sin No. 1: Not satisfying user requirements.

Sin No. 2: Common goals, but *uncommon* objectives (different motivating factors).

Sin No. 3: *Adversarial relationships* among government, contractor, and user, which destroy trust.

Sin No. 4: *Low morale* among program office personnel.

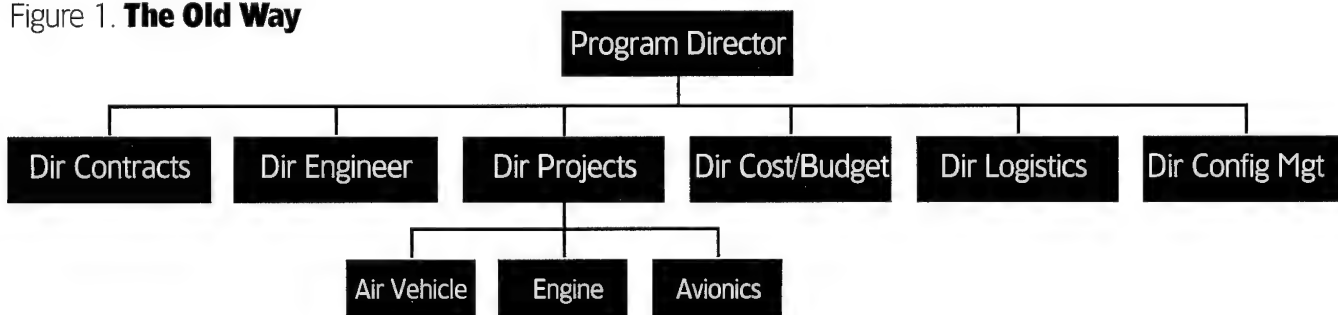
Sin No. 5: No clear lines of *communication*.

Sin No. 6: Lack of *understanding of big picture*.

Sin No. 7: *Inefficient processes*, *duplication of efforts*, and lack of understanding of *roles and relationships*, resulting in *overworked* and *underutilized* employees.

Not satisfying the user/customer requirements (**Sin No. 1**) is by far the worst acquisition cardinal sin and most likely a result of the other six sins. It is unlikely the program office and contractor will satisfy the user if they do not clearly understand what the user wants. Therefore, it is crucial the program office and contractors clearly understand the warfighters' goals and objectives. In addition, it is imperative the program office and contractor understand each others' goals and objectives.

Figure 1. **The Old Way**



Veneziano is Chief, Joint Tactical Information Distribution System (JTIDS) Integration Product Team, Hanscom Air Force Base, Mass. He is a graduate of APMC 96-1, DSMC.

Adverse situations often result from this lack of understanding of goals and objectives. For example, the user may have a goal to improve their system capability and an objective to be under cost and ahead of schedule. The program office may simply adopt the user's goal and objective. The contractor, however, may have the same goal, but a completely different objective (maximizing return on investment to the stockholders). If the program office, user, and contractor are not aware of each others' goals and uncommon objectives (**Sin No. 2**), there may be substantial risk involved in meeting the user's requirements. In addition, ignorance of each others' goals and objectives may cause adversarial relationships among government, contractor, and customer/user organizations, which would increase program risk and decrease the likelihood of satisfying the customer (**Sin No. 3**).

Figure 1 illustrates the traditional Matrix or Functional organizational management approach. Under this traditional approach, experts from various "functional" acquisition disciplines were "matrixed" or collocated to acquisition projects where they worked with project managers under the Director of Projects. Since most project managers had engineering backgrounds, their program knowledge was often limited to engineering aspects of the program.

Although program directors often placed project managers in charge because of their technical expertise, project managers rarely played key roles in major program office decisions because they were two or three levels below the program director in the organizational structure. Program directors generally relied on "functional" support staff to provide specific areas of expertise to the projects such as contracts, logistics, cost, budget, and test. However, program directors rarely placed "functionals" in charge of projects. Consequently, some program office personnel perceived the word "functional" (sometimes referred to as the "F" word) to have a slightly negative connotation. As a result, morale among those "functionals" was low (**Sin No. 4**). Specifically, there was rarely a strong feel-

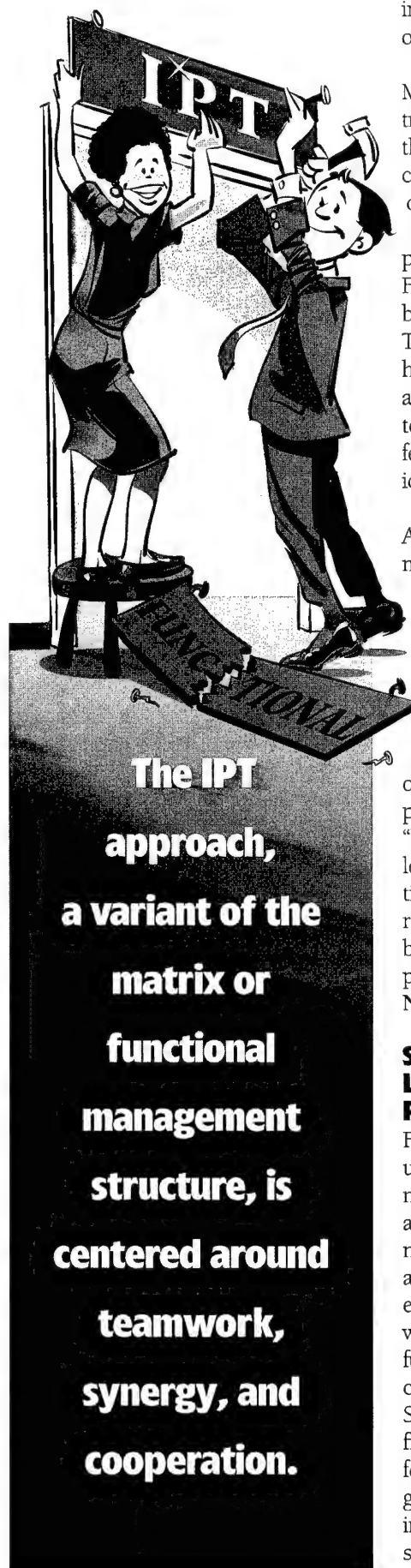
ing of belonging or commitment to the organization and overall mission.

Many problems resulted from the matrix organization described above. First, there were no clear lines of communication (**Sin No. 5**). Program directors often asked the same questions to various functional members of the same project and received different answers. Further, the answers were often filtered by various tiers of middle management. These multiple lines of communications hindered relations with users/customers and contractors, especially if the customer and contractor also received different program office positions from various functional representatives.

Another problem created by the matrix management structure was the lack of understanding of the big picture and how things tied together (**Sin No. 6**). The reason for the lack of synthesis was because employees were only expected to understand and address issues in their own respective disciplines; therefore, employees rarely knew or understood what other functional support personnel were doing. This lack of "big picture" understanding frequently led to inefficient processes and duplication of efforts in program offices, which resulted in excessive workloads in the busiest work areas and underutilized employees in the slowest work areas (**Sin No. 7**).

Solution — Effective Leadership Through Integrated Product Teams

Figure 2 shows the new Integrated Product Team (IPT) organizational management approach. This approach, a variant of the matrix or functional management structure, is centered around teamwork, synergy, and cooperation. Effective implementation of IPTs will help program offices build successful high-performance teams that can overcome Acquisition's Seven Cardinal Sins. Specifically, IPTs enhance program office leadership by making it much easier for program directors to motivate, delegate, communicate, provide vision, and inspire trust among program office personnel.



Motivation

By eliminating the use of the "F" word (functionals), IPTs improve program office morale. Under the IPT structure, representatives from each acquisition discipline are equal participating members of the team. For example, the Avionics IPT in Figure 2 is comprised of team members from each program office discipline. Although IPT members contribute mostly in their area of expertise, all IPT members are apprised of all IPT issues and encouraged to generate solutions to all problems. This free flow of ideas provides each IPT member a clear understanding of the big picture and how different program office issues tie together (**solution to Sin No. 6**). The open communication also provides professional development for IPT members and enhances productivity through synergy and maximized participation. In addition, the team approach eliminates duplication of efforts, conflicting program office positions, and program office dissension caused by "turf battles" and "rice bowl" arguments (**solution to Sin No. 7**). *By inspiring trust and strengthening feelings of belonging and commitment to the organization and overall mission, IPTs significantly improve employee morale* (**solution to Sin No. 4**).

Each IPT has a team captain or IPT Chief/IPT Leader who provides team leadership and champions the team's activities. Since program managers have a general understanding of all acquisition disciplines, IPT chiefs are usually program managers. However, other team members can be the IPT chiefs if the IPT mission involves a specialty area such as

contracts (contracting expertise would probably be most critical to a Contract Close-out IPT). Further, every member of an effective IPT should have the program understanding and wherewithal to assume the role of team captain. The most critical qualification and prerequisite for the team leader position is the mastery of interpersonal leadership skills such as team building, facilitating, coaching, counseling, and communicating, which are necessary to coordinate and synthesize differing ideas of IPT members.

Although the IPT Chief champions the IPT efforts, the entire IPT is directly responsible for the success of the IPT. Therefore, the entire IPT should be rewarded for IPT successes. Program offices can reward the entire IPT by instituting team recognition programs. Team recognition enhances program office morale and inspires esprit de corps among teams by creating "Win-Win" situations in which every member of the team receives recognition for the team's success.

This is in sharp contrast to the "Win-Lose" situation which may be inadvertently created by an individual recognition program when only one award nominee wins, and the remaining award nominees lose. Although individual awards are an excellent means to motivate program office personnel and reward top performers, they may not be as optimal if an individual award winner receives all of the credit for the work performed by many people or if two members of the same IPT are pitted

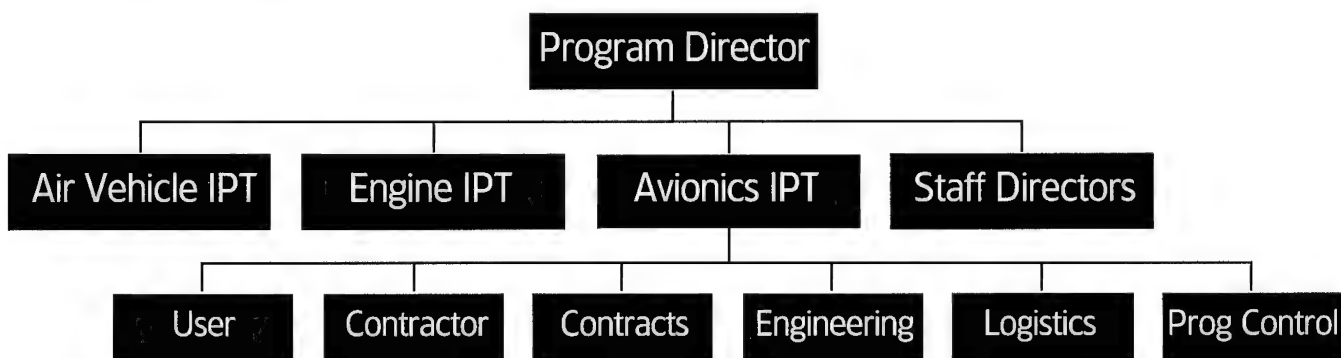
against each other for the lone spot in the winner's circle. In summary, team awards foster teamwork by rewarding teamwork, and they instill pride in the entire IPT.

Since the "functional" support staff members from the old matrix organization are now team members on IPTs, the program office no longer needs a directorate chief for each functional discipline. Instead, all of the functional directorates from the old matrix organization are consolidated into one program office staff directorate. Although the program director's staff directorate is small, it performs three functions which are paramount to program office success: (1) helps the program director develop and institute the program office vision; (2) trains and equips the IPT members to carry out their IPT mission; and (3) runs interference and removes obstacles/barriers so IPT members can focus on their IPT mission.

Delegation

Effective program office implementation of IPTs helps program directors *delegate* major program office decision authority to the IPTs. The IPT structure facilitates delegation of decision authority because the IPTs report directly to the program director. By establishing the boundaries of their IPT's authority with the program director, IPTs can receive major program office decision authority. These boundaries are called a *Baseline* or *Charter*. The IPT's Charter should include, but is not limited to, the IPT's goals, objectives, and a near-term action plan for carrying out their mission (vision, goals, and objec-

Figure 2. **The New Way**



tives are further described in the section entitled "Vision"). The IPT Charter should also include external customer/supplier interfaces and the IPT budget. The Charter helps the IPT receive decision authority because the IPT's reward for meeting the Charter is the program director's "Keys to the Kingdom." These keys to the kingdom give the IPT "free rein" and "free reign" to make all program decisions within the boundaries defined in the IPT Charter.

Communication

The streamlined reporting from the IPT to the program director facilitates clear lines of *communication* in the program office (**solution to Sin No. 5**). Unlike the old matrix management approach, if program directors have questions regarding cost, schedule, or key performance parameters, they only need to ask one group, the IPT. Further, they can ask any member of the IPT, and can reasonably expect to receive the identical (and correct) answer. These direct and clear lines of communication further increase morale by providing all IPT members access to the program director, and more importantly, a chance to help out the "Boss." My final point regarding program office communication is that IPTs should sit together. At a minimum, team members who are dedicated full-time to the IPT should sit together. Although sitting together does not automatically make a group a team, effective teams do function much more efficiently if they sit together.

Vision

Program success is largely dependent upon leadership and the leader's ability to provide a clear *vision* for the future. Specifically, program office, user, and contractor leaders should establish a program *vision* (a picture of where the team is going and what it will look like when the team gets there); *goals* (intermediate stops toward getting there); and *objectives* (top priorities and motivating factors). Program directors should avoid vision statements that are long and complex (four or five sentence paragraphs) because they are difficult to: (1) read quickly; (2) understand thoroughly; and (3) internalize willingly. Vision



...the IPT's reward for meeting the Charter is the program director's "Keys to the Kingdom." These keys to the kingdom give the IPT "free rein" and "free reign" to make all program decisions within the boundaries defined in the IPT Charter.

IPT SOLUTIONS TO ACQUISITION'S SEVEN CARDINAL SINS

Sin No. 1

Not satisfying user requirements

Solution to Sin No. 1

Many effective IPTs track the timely completion of customer actions to ensure they are honoring customer commitments and satisfying their customer/user requirements.

Sin No. 2

Common goals, but uncommon objectives (different motivating factors)

Solution to Sin No. 2

Trust will be maximized if IPTs (program office, user, and contractor) adopt a "Win-Win" or "No Deal" approach and strive to help each other meet their common goals as well as their uncommon objectives.

Sin No. 3

Adversarial relationships among government, contractor, and user that destroy trust

Solution to Sin No. 3

Weapon system programs have the highest probability of success when the program office, user, and contractors trust each other and work together in non-adversarial partnerships.

Sin No. 4

Low morale for program office personnel

Solution to Sin No. 4

IPTs significantly improve employee morale by inspiring trust and strengthening feelings of belonging and commitment to the organization and overall mission.

Sin No. 5

No clear lines of communication

Solution to Sin No. 5

The streamlined reporting from the IPT to the program director facilitates clear lines of *communication* in the program office.

Sin No. 6

Lack of understanding of big picture

Solution to Sin No. 6

Although IPT members contribute mostly in their area of expertise, all IPT members are apprised of all IPT issues and encouraged to generate solutions to all problems. This free flow of ideas provides each IPT member a clear understanding of the big picture and how different program office issues tie together.

Sin No. 7

Inefficient processes; duplication of efforts; and lack of understanding of roles and relationships — resulting in overworked and underutilized employees

Solution to Sin No. 7

The team (IPT) approach eliminates duplication of efforts, conflicting program office positions, and program office dissension caused by "turf battles" and "rice bowl" arguments.

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statements are usually most effective if they are short, passionate, and memorable. An example of a short memorable vision statement is "Proliferate Link 16."

Integrated product teams track their progress against their established goals to ensure they are progressing toward the program office vision. These measures of progress and effectiveness or "metrics" are simply methods to reinforce that the team is accomplishing what it set out to accomplish. Many effective IPTs track the timely completion of customer actions to ensure they are honoring customer commitments and satisfying their customer/user requirements (**solution to Sin No. 1**). As mentioned previously, IPTs should include their goals and objectives in their Charter with the program director.

Inspiring Trust

Lastly, IPTs inspire trust among program office, user, and contractor personnel. Program offices will *inspire trust* with their customer and supplier by including the user and the contractor in their

IPT. Trust will be maximized if IPTs (program office, user, and contractor) adopt a "Win-Win" or "No Deal" approach and strive to help each other meet their common goals as well as their uncommon objectives (**solution to Sin No. 2**). Weapon system programs have the highest probability of success when the program office, user, and contractors trust each other and work together in non-adversarial partnerships (**solution to Sin No. 3**).

Conclusion

Acquisition's Seven Cardinal Sins can be avoided if the user, contractor, and program office work together to coordinate user requirements; generate acquisition plans; develop streamlined "performance-based" contract requirements; and design, build, test, and maintain warfighters' weapon systems. Since the user owns the requirements process, the contractor builds and integrates the weapon systems, and the program office synthesizes the acquisition and sustainment processes, it is imperative the user, contractor, and program office work hand-

in-hand throughout the entire life cycle of the weapon system. Therefore, to meet current and future budget challenges and avoid Acquisition's Seven Cardinal Sins, I highly recommend program offices discard the old matrix management way of doing business and embrace the new IPT way of doing business. I also highly recommend program managers don't shun the IPT way of doing business simply because they are turned off by the misuse or overuse of words such as *reinvention*, *reengineering*, and *total quality management*. Instead, I encourage program offices to go back to basics and build high-performance teams through good old fashioned *leadership principles* such as: *motivation, delegation, communication, providing vision, and inspiring trust!*

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Jones, Berwyn, "Strategic Planning in Government — The Key to Reinventing Ourselves," *Program Manager*, Vol. XXV No. 1, DSMC 130 (January-February 1996).

Privatization And The Defense Worker's Opposition

**Sometimes Privatization is a Good Idea...
and Sometimes It's Not**

J. MICHAEL BROWER

"Unto every one that hath shall be given, and he shall have abundance; but from him that hath not shall be taken away even that which he hath."

—Matthew 25:29

The well-known "Matthew Effect" has no more ready application than the move toward "privatization" currently in vogue at the Department of Defense. Defense workers and their political representatives fear the tumblers of downsizing rumbling through the streets of the nation's military depots, heavily laden with formerly good-paying jobs. They fear losing even that little they retain after over six years of constrained budgets.

A key litmus test on privatization is being conducted that will determine the fates of many public and private defense workers. The "60-40" rule under criticism by reformers requires the Pentagon to spend 60 percent of maintenance funds through government sources, with 40 percent going to contractors. The Defense Department's budget for depot maintenance hovers around \$13 billion, with over \$4 billion already slotted for the private sector. Jesse Salcedo, president of the American Federation of Government Employees, warns that unrestrained commercialization will allow

privateers to "rip off the taxpayer" and then move jobs to areas with lower labor costs.

A harsh genre of social selection accompanies the intuitively logical push to privatize government activities. So commonly accepted is it that enterprise is always more economical than government, the privatization impetus is virtually axiomatic. In the case of available depot work, for-profit companies which already possess much will benefit synergistically from the redistribution of the 60-40 split. As the government is sidelined as a viable competitor, the contractor becomes the only game in town. Monopolistically, money will follow money, which could hurl defense workers of all stripes toward a future characterized by temporary work, less pay, forced mobility, and reduced job security. While harboring only the best fiscal intentions, the Defense Department's privatizers laud across-the-board outsourcing and thereby endanger America's military workers who are already countenancing severe government and corporate downsizing. What must be maintained to protect all labor is a balance of power between the private and public sectors.

Privatize! The Bigger Picture

While cuts in service personnel are 90 percent behind us, "downsizing," together with its handmaidens — "privatization" and outsourcing — continue apace. Robert L. Meyer, director of Housing Revitalization and Support, a new DoD agency, is overseeing a move to contract-out housing beginning with test

sites in Corpus Christi, Texas, and Everett, Washington. Soon the experiment will spread to the large Navy family population at Hampton Roads, Virginia. In addition, child care, according to the *European Stars and Stripes* of April 14, will also be the target of increased outsourcing since only "52 percent of the demand for child care" is being met by the Services."

This compulsion toward commercialization may bode bad days for those last quarters of organized labor. We must remember that one of the biggest incentives to out-source has to do with lower labor prices that private concerns can fetch compared to federal, state, or local government. Take, for instance, the recent move in Texas to privatize two Houston golf courses. The city's Public Works and Engineering Department attempted to show that it would make \$3.3 million by managing the Brock and Sharpstown courses, while private industry would raise only \$2.9 million. *Privatization Business*, a McGraw-Hill publication, reports that the main argument the private contractor used to contest Houston Mayor Bob Lanier's decision to block commercialization centered around "personnel costs," also known as "overhead." A councilman supportive of the privatization effort stated that "if you reduce the salaries" of employees and use temporary and part-time workers, privatization is justifiable to the taxpayer. But what are they saying here? While attempting to give a better deal to the "taxpayer," we are making good-paying, middle class, tax-base-creating jobs

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a rarity. We are encouraging illegal immigration precisely at a time when we are trying to give the taxpayer relief on over-burdened social services. The same scenario is being played out in some cases within the military community.

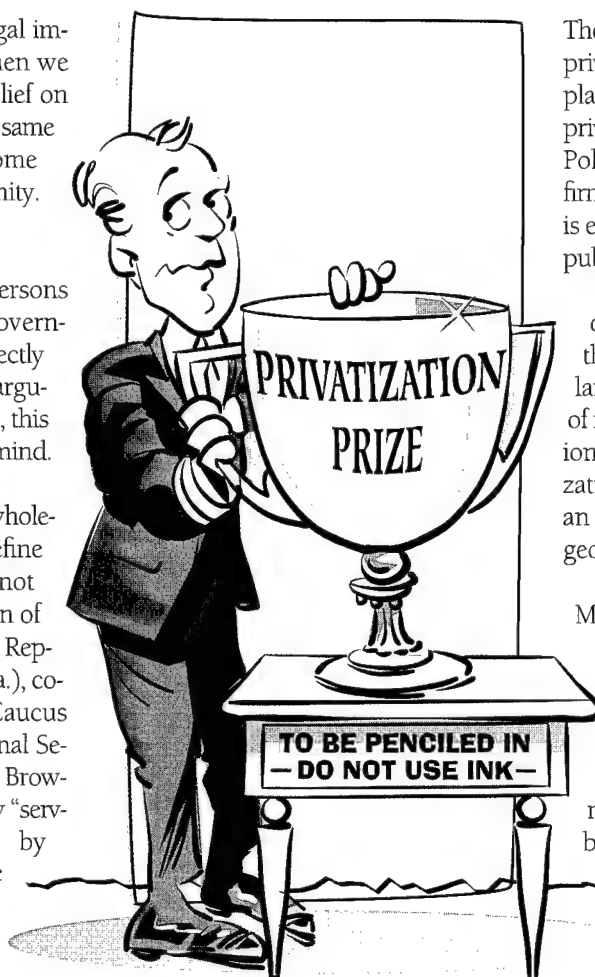
With Workers In Mind

Nearly one in three employed persons in the United States relies on government for their paychecks. To correctly assess the human impact of the arguments of well-meaning privatizers, this fact must be borne constantly in mind.

Many in Congress stand against "wholesale" privatization, which they define as work the government should not be performing. In the April edition of *Armed Forces Journal International*, Representative Glenn Browder (D-Ala.), co-chairman of the House Depot Caucus and member of the House National Security Committee, explained why. Browder stated that he was unabashedly "serving my constituency well," by withholding his blessing for *carte blanche* commercialization. According to *Defense News* (April 8-14), Browder joined Representative James Hansen, (R-Utah) in opposing new propositions from DoD to adjust downward the 60-percent share of depot work going to public employees. Browder, like Hansen and Norman Sisisky (D-Va.), also members of the House National Security Committee, emphasize the need to retain a trained, reliable "core" workforce, which owes allegiance to the government not corporate executives. Their actions seek to ensure taxpayers really do get a better deal during the outsourcing revolution, and protect defense workers. "Sometimes it makes sense; sometimes it doesn't," reflects Sisisky when considering the track record of base closings and privatization. Sisisky stated in *The Virginia Pilot* of April 1, that "what happened to Norfolk Naval Shipyard in 1993 [is] a great case study of what happens when privatization threatens to go too far."

Privatization: A Bridge Too Far?

Privatization is not isolated to DoD. State, county, and local governments are doing it too. So are countries the world over.



While harboring only the best fiscal intentions, the Defense Department's privatizers laud across-the-board outsourcing and thereby endanger America's military workers who are already countenancing severe government and corporate downsizing.

The Russian Duma is wrestling over land privatization and land rights; Latvia has placed two major state enterprises on its privatization hit list of over 240 targets; Poland is privatizing its most profitable firm, KGHM (copper mining), and Brazil is experimenting with privatizing a large public bank. From Egypt to Canada, outsourcing candidates are being seriously considered by government. In the D.C. area, the University of Maryland is contemplating the privatization of its utility operations while Mayor Marion Barry has outlined over 30 privatization initiatives for fiscal year 1997 in an effort to control the District's burgeoning budget deficit.

March and April 1996 saw the publication of four new reports issued by DoD which came under scrutiny by lawmakers. The Defense Science Board Task Force on Privatization and Outsourcing recommended that nearly all activities except warfighting be open to private bidding. "Depot-Level Maintenance and Repair Workload" makes the case for replacing Section 2466 of Title 10, U.S.C. A call for more outsourcing is also contained in "Policy Regarding Performance of Depot-Level Maintenance and Repair," from Deputy Defense Under Secretary for Logistics John Phillips. And "Improving the Combat Edge Through Outsourcing," released by acting Assistant Secretary for Economic Security John Goodman, highlights "the operations of our nation's most successful companies" as a point of departure in advocating for "outsourcing and competition."

But while the anti-government impulse is strong, privatization doesn't always work. The Department of Energy's first large effort to privatize cleanup in Idaho is not going well. And the nation's boldest move to out-source Washington State's highway system is stalled with billions of dollars at stake. On June 4, 1996, striking machinists at McDonnell Douglas cited outsourcing as their main sticking point — the use of subcontractors and nonunion workers affects private industry as well as the government.

Excess Privatization

In a *St. Louis Post-Dispatch* article by Harry Levins, "Army Means Business; Business, Just Mean" (March 25), we find that outsourcing means making employees more vulnerable to the "excesses of the marketplace." Levins laments executive salaries vis-a-vis the more modest compensations afforded the majority of government workers and reminds us that "in the corporate world, executives who march their employees off a cliff get rich." Levins asks a poignant question, "When the last American worker loses his job, who will be able to buy whatever AT&T is selling?"

Former Assistant Secretary of Defense Lawrence Korb, now at the Brookings Institute in Washington, D.C., believes that privatizing "from a taxpayer's point of view and efficiency point of view...makes a great deal of sense." But Wallace Thies, a professor of politics at Catholic University, believes that savings generated from outsourcing are sometimes illusory and points to certain base closures, such as Carswell Air Force Base in Texas, which is now run by the Navy at a cost of nearly \$200 million per year after an equal cost from renovation projects.

The New, Balanced Course

The destruction of the American union has been well documented for all but the obstinately blind to see. Now the security that existed as a result of the com-

petition between public and private sector defense workers is on the wane as "efficiency" is realizable "only" through privatization. The DoD's privatization plan states its goal as "divestiture of virtually all DoD organic depot-level facilities and equipment and movement of all workloads and federal employees to the private sector." Both worker security and national security could be adversely affected by unbridled privatization.

In private industry, with an upsurge in the economy, a firm can hire more workers, and with a lull in demand, lay them off. Workers — and most importantly the *steady paychecks* they spend right on the economy — are protected better in government. Today, both military and civilian employees face the prospect of more work with constant or diminishing resources. Private companies have more flexibility both in terms of borrowing to capitalize on increased demand and in exploiting a skilled reserve labor army — one ever-growing due to automation, quickly employed, and just as quickly let go. As Jeremy Rifkin wrote in *The End of Work* (1995), this is the seminal problem of our age.

Without searching for the yearbook answer, it seems evident that sometimes privatization is a good idea, and sometimes it's not. And if our military past is prologue, we'll require a core of seasoned, dependable government workers who will be less susceptible to the changing

but powerful trade winds blowing in private industry in the midst of universal downsizing. We need these public workers for our national defense. Privatization can also spell the hard times for the very people we rely upon to buy the products and services we all justifiably demand to receive at low costs.

Senator Inhofe of Oklahoma and Representative Hansen, both influential in their respective military affairs committees, have stated that the Clinton Administration's selective endorsement of "privatization in-place" is done for political gain and not for savings' sake (*Washington Times*, April 16). But such arguments barely warrant attention when the first criteria for the long term must be: What is the effect of this policy decision on the worker! The impulse to out-source and privatize in order to save the taxpayer money is a noble goal. But when the majority of taxpayers are the very workers injured in the process, caution and case-by-case consideration is prudent. The trump card held today by the defense worker — public and private — is the vote. And while it may be their only card, it may be all they need.

Editor's Note: Brower welcomes comments concerning this article. He may be contacted as follows:

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Challenges Confronting the Defense Industry Today

To Become More Competitive Often Requires Painful Changes

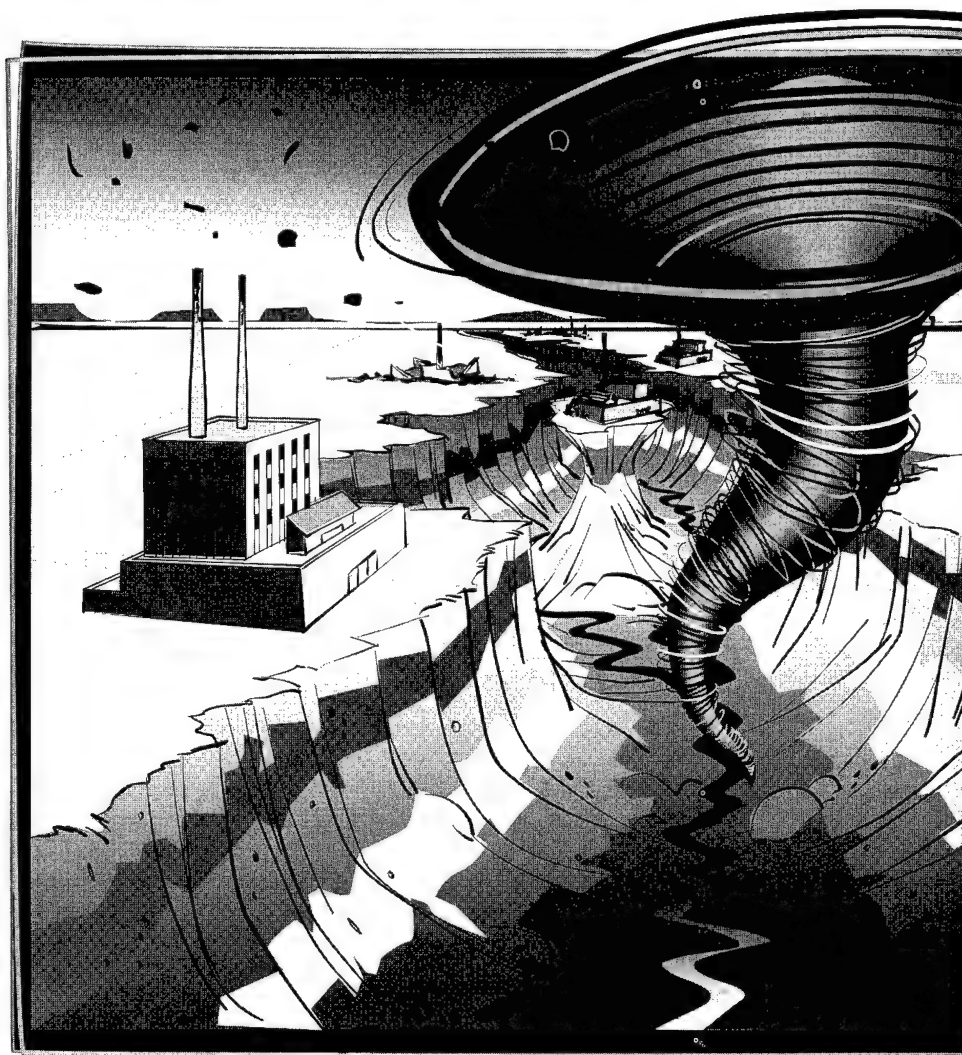
BARRY G. CAMPBELL

Similar to many other industries, rapid changes have been the common denominator during the past decade in the defense industry, which is significantly smaller today than it was during the mid-eighties. I would suggest that two events were the primary causes for the radical "roller coaster" effect that we have seen and are continuing to experience in the defense industry.

First — Competition in Contracting Act (CICA)

The first of these two events was the enactment of the Competition and Contracting Act (CICA) in 1984. Most large aerospace companies began to experience real challenges for follow-on procurements, which had often been awarded on a sole-source basis prior to CICA. At Vitro, we saw our sole-source awards during the past decade almost entirely dissipate from more than 80 percent of our business. Competition caused us to reexamine how we did business and to begin implementing changes in our organizations, which in many instances were painful, to become more competitive. This, more than anything, has brought about a cultural change within our company.

Campbell is President and Chief Executive Officer of Vitro Corporation and Corporate Vice President of Vitro's parent company, Tracor, Inc. Vitro is a diversified systems and software engineering company that provides engineering services for major weapons, space, and intelligence programs for U.S. and international governments. Vitro, with headquarters in Rockville, Md., is the largest subsidiary of Tracor, Inc., of Austin, Texas.



Second — Demise of Soviet Union

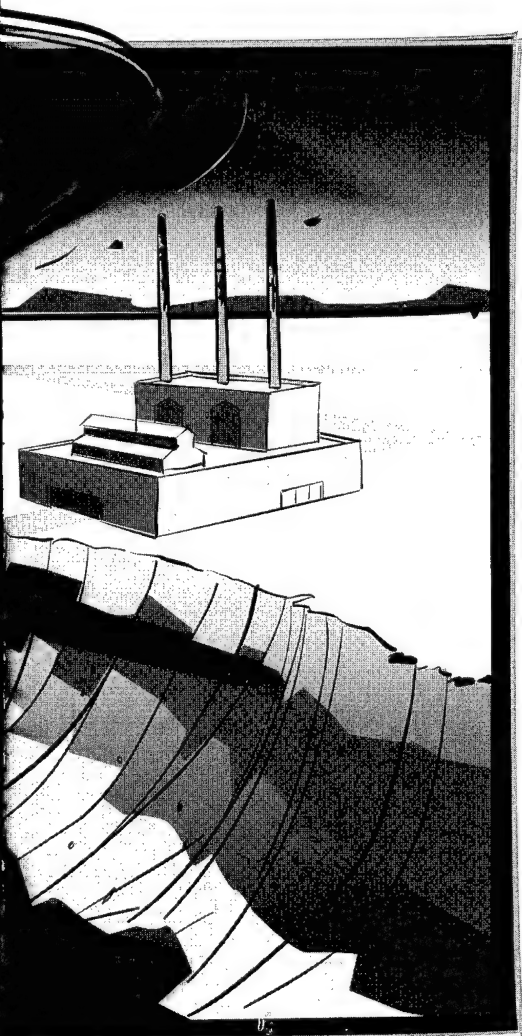
The second most significant event of the past decade has been the demise of the Soviet Union. Ten years ago, I would submit that very few of us would have expected the Soviet Union to dissolve and the Iron Curtain to come down as rapidly as it did. With the end of the Cold War came a new world order. We had:

- new national security challenges with a radically different threat that caused the reassessment of our entire Defense Strategy;
- a threat that is more tactical and less strategic;
- the need to more rapidly respond to localized threats;
- no need for as large a military force; and

- an opportunity to significantly reduce the Defense budget.

Declining DoD Budgets

While the total defense budget has declined more than 35 percent since 1985, the Procurement-related portion of the budget has dropped more than 74 percent, resulting in the need for far fewer ships, aircraft, tanks, and missiles than we were geared to provide. With readiness gaining in relative importance, the reductions in the Operation & Maintenance



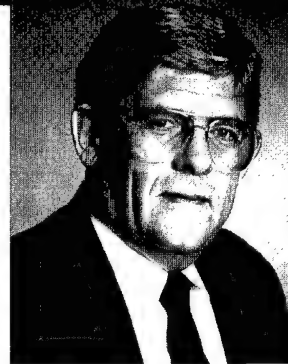
portion of the budget were less severe. It now appears that if President Clinton's budget is accepted, we won't see an increase in the Procurement portion until FY98 at the earliest.

Today, we have an environment in the acquisition process where there will be a few well-chosen new systems rather than many new systems; new systems

BARRY G. CAMPBELL

President and CEO Vitro Corporation

Barry G. Campbell is President and Chief Executive Officer of Vitro Corporation and Corporate Vice President of Vitro's parent company, Tracor, Inc. Vitro is a diversified systems and software engineering company that provides engineering services for major weapons, space, and intelligence programs for U.S. and international governments. Vitro, with headquarters in Rockville, Md., is the largest subsidiary of Tracor, Inc., of Austin, Texas. Previously, Campbell was Executive Vice President (EVP) and Chief Operating Officer and had served as EVP for Corporate Technology and Development.



Campbell joined Vitro in 1970 as a systems engineer in the Fleet Ballistic Missile program, supporting the POLARIS and POSEIDON mechanical interface control projects. A year later he was promoted to the first of a series of supervisory positions, and his role was expanded to include engineering work on the [then] new TRIDENT strategic weapon system. Beginning in 1974, he also supervised a project for the Postal Service that involved the development of design specifications, design disclosure packages, and operation and maintenance documentation of mail processing equipment.

From 1979 until 1986, Campbell held management positions at the department level. He was initially responsible for the management of systems engineering tasks for the Federal Aviation Administration and for clients in the Navy's systems commands, laboratories, and field activities. He later led projects involving comprehensive engineering and program management support for the Navy Command and Control System, its communications links and intelligence nodes, as well as for an array of other strategic and tactical communications systems.

As a branch Vice President from 1986 to 1988, Campbell managed all Vitro systems engineering, systems integration, and integrated logistics support to the Navy Fleet Ballistic Missile and Strategic Weapon Systems programs. Following his promotion to Senior Vice President in 1988, he had responsibility for anti-submarine warfare/undersea warfare and Army signals intelligence/electronic warfare contracts as well as Navy strategic systems programs for four years.

Before starting his Vitro career, Campbell earned a B.S. in Mechanical Engineering from Drexel University and worked for the Naval Nuclear Power Department of the New York Shipbuilding Corporation. He also spent several years as a project engineer and program manager with the Central Intelligence Agency.

Campbell is a director and member of the Board of Directors of the American Electronics Association. He also serves as the Chairman of the Software Productivity Consortium; a director of the American Defense Preparedness Association; the Armed Forces Communications and Electronics Association; the Professional Services Council; and the Software Productivity Consortium. Campbell is on the Board of Governors of the National Space Club, serves on the Advisory Council of the Chancellor of the University of Maryland Systems, and is a member of the Drexel University General Alumni Association's Board of Governors. His leisure interests include golf, snow skiing, and sailing.

Originally from Atlantic City, N.J., Campbell now makes his home in Bowie, Md., with his wife, Margaretanne. They have four grown children.

will be affordability-driven rather than technology-driven; more Joint programs rather than single-Service programs; more dual-use technologies with Commercial Off-The-Shelf/Nondevelopmental Items (COTS/NDI) rather than military-unique technologies; and systems where technology will be inserted rather than invented.

The result of these budget reductions and acquisition process changes is that industry had to diversify and convert to the new ways of doing business. The problem for many of us was that we were unable to diversify as quickly as we would have liked to have done. It also resulted in a significant overcapacity of the Defense Industrial Base.

Overcapacity "Death Spiral"

The overcapacity of the industrial base created a "death spiral" for many businesses. DoD budget reductions started the "death spiral" in companies by initially causing declines in revenue. Declining revenue in turn led to an overcapacity in companies' fixed assets (buildings and equipment), which meant higher overheads despite actions taken by companies to reduce their indirect costs. These higher overheads caused companies' competitive positions to quickly erode. In this death spiral, earnings decline, and companies are less able to invest in future initiatives because they are less attractive to the financial community (e.g., banks and venture capitalists). When a company gets caught in this spiral, something needs to be done; otherwise, the company will simply be forced to go out of business because it loses its lines of credit and can no longer service its mounting debt.

There were many solutions recommended to resolve these problems confronting in-

dustry. Some thought that there should be a national policy to preserve the defense industrial base. Many said that those in the defense industry should commercialize their operations. The former is not a very good idea when one thinks about the bureaucratic nightmare that would engulf these companies, and the latter is extremely difficult to achieve without a huge investment in resources and people or in acquisition. How then did industry deal with the overcapacity problems that eroded earnings and made competing more difficult?

Industrial Base Consolidation

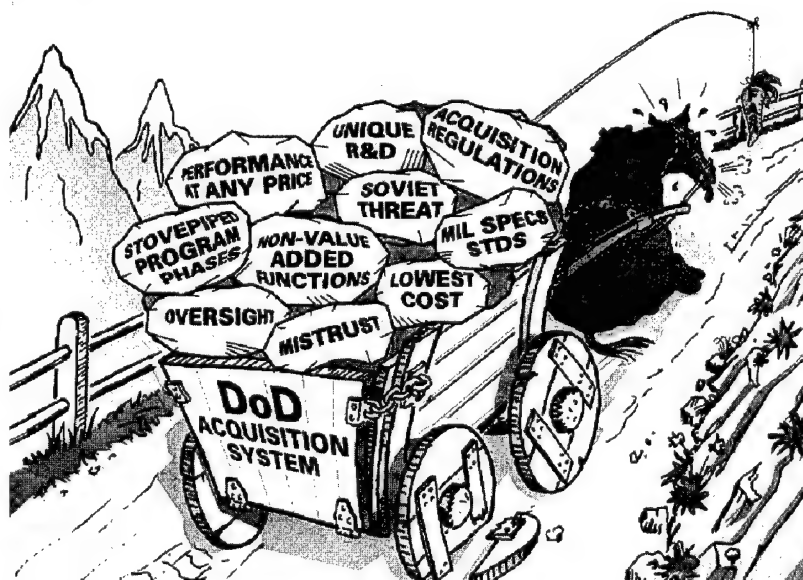
The natural forces of the marketplace provided the solution to the overcapacity problem of the industrial base by causing a rationalization of the industrial base to begin. This rationalization manifested itself in the many corporate mergers and acquisitions we've seen in recent years in the aerospace and defense industry. Rationalization has enabled companies to reduce their excess capacity and build a critical mass within their newly structured organization that would allow it to compete more effectively. Almost all of the big aerospace companies have been and continue to be active in both mergers and acquisition to resize industry to match the defense portion of the federal budget.

Undoubtedly, Lockheed Martin leads the defense industry in acquiring companies in recent years. Prior to merging with Lockheed, Martin Marietta acquired GE Aerospace which itself had earlier acquired RCA's aerospace operations. Lockheed had acquired GD Convair and Sanders before it merged with Martin Marietta. Even Loral, which was acquired by Lockheed Martin this past April, was very active with relatively recent acquisitions of Ford Aerospace, IBM Federal, and Unisys Defense and Aerospace units. As a result of these mergers and acquisitions, Lockheed Martin is reducing its overcapacity and has emerged as a highly competitive and powerful force in the defense industry today.

But Lockheed Martin hasn't been the only large aerospace company involved in acquisitions in recent years. Litton, Grumman, Northrup, Hughes, Raytheon, to name a few of the larger aerospace companies, have all acquired or merged to form a more solid foundation to compete effectively in the dwindling defense market.

General Dynamics, on the other hand, reduced its overcapacity while adding shareholder value by divesting itself of many of its defense assets to its former aerospace competitors, such as Lockheed.

Burdened Acquisition System



Tracor's Experiences

Even smaller defense companies, such as Tracor, which acquired Vitro in 1993, have used acquisitions as their primary strategy to grow their base of operations. Five years ago, Tracor was rebounding from bankruptcy and had annual sales of approximately \$250 million. Today with its acquisition of Vitro, and subsequently GDE Systems and AEL Industries, Tracor's 1996 revenue is expected to exceed

\$1 billion, and the company has emerged as the fastest growing major defense electronics firm in the United States.

In this process of acquiring companies, Tracor restructured itself and the companies it acquired to improve the synergy among its various operations. I spent the better part of a year during the time prior and subsequent to Tracor's acquisition of Vitro ensuring that the acquisition was successful. Facilities were consolidated, and excessive space was eliminated wherever possible. At Vitro alone, we eliminated more than 400,000 square feet in the past three years as we have consolidated many of our operations with other Tracor operations to reduce our costs and improve our operational efficiency. Administrative operations were reengineered and consolidated resulting in significant reductions to overheads. Almost 50 percent of our overhead staffing has been reduced to help us get our indirect rates into a highly competitive position. At Vitro alone, we reduced \$40 million annually from overhead resulting in savings to the government and making Vitro more competitive and profitable, which are the objectives of Tracor's shareholders.

Although Tracor has been successful in implementing its strategy of protecting core business, and expanding and diversifying into other businesses, its acquisitions of other companies during the last three years have been the major contributor to its impressive rate of growth and increased competitiveness.

Survival of the Fittest

The overcapacity of the industrial base problem is being alleviated in large part by the consolidation of companies. There are more than a million fewer employees working in the defense industry today than there were during the mid-eighties as a result of the significant reductions in the defense budget, especially in the Procurement Budget. Mergers and acquisitions will continue for the foreseeable future because it is a proven way to grow a business and to succeed in today's defense environment. Chief Executive Officers are spending considerable amounts of their time conducting due

diligence in the merger and acquisition process, and in downsizing and consolidating operations than ever before. The defense industrial base is vastly different today than it was a decade ago. You can bet that it will be significantly different a decade from now. We are in an environment where only the fittest and most competitive will survive.

Industry Challenges

What does industry need to do to not just survive, but to grow its businesses in a profitable manner? To be successful, companies must have the foresight to stay ahead of the pack in a marketplace that frequently puts too high a premium on low price. Companies in our business must have the agility to deal with "unpredictable unknowns" such as the uncertainties we face today due to Base Realignment and Closure (BRAC), National Performance Review, downsizing, and program reductions and cancellations. Companies must aggressively expand and diversify into non-DoD markets, be they other federal agencies, state and local governments, commercial, or international markets.

Companies must also strive to maintain excellent customer relations, by putting their customers as their first priority. From my point of view, this means that we must provide quality products and services on time and at reasonable prices. Prior to CICA, good work resulted in more work. In today's environment, good work enables companies to re-compete for their own work every three to five years depending on the period of performance of their incumbent contract. To stay ahead of their competition, it is essential that companies strive for continuous process improvement in order to provide products and services faster, better, and cheaper to their customers.

Although there has been an erosion in the compensation and benefits provided to employees in our industry in order to survive during these difficult times, companies must find ways to not just attract superbly qualified employees into our industry, but also to retain these employees in order to be successful well into the next century. I submit that this

has become a major challenge since new graduates do not consider today's aerospace and defense companies to be attractive employers. The reduced demand for scientists and engineers will undoubtedly result in a reduction in the number of students who will be pursuing these disciplines in our colleges and universities in years to come.

Need For Alliances

Another very important element in successfully protecting core business, and expanding and diversifying into new marketplaces, is to form strategically important alliances with companies already well positioned in the marketplace. With the onslaught of competition, the reduction in defense spending necessitating the need to streamline operations by our customers, and the continual changes in customer organizations caused by BRAC and other downsizing initiatives, industry, especially companies in the professional services industry, has seen more of its efforts consolidated into larger omnibus-type contracts in order for the government to cut back on the costly and time-consuming effort involved in competing, awarding, and administering contracts.

In order to retain its core business, Vitro enters into key teaming agreements or joint ventures to pursue contract awards, which is a key reason why Vitro has increased the amount it has subcontracted to other companies by tenfold during the past decade. In addition, the swell in the amount subcontracted to other companies resulted from a noticeable increase in recent years in the amount of small, small-disadvantaged, and women-owned businesses subcontracting required in government solicitations, which creates the need for large businesses to form key alliances with various small businesses that have strong credentials in the marketplace or with the customer being pursued. Undoubtedly, the trend toward more teaming will continue as companies attempt to forge the strongest teams to pursue highly competitive opportunities.

Acquisition Reform Initiatives

The end of the Cold War and the declining defense budgets caused federal

government agencies to relook at how they acquire goods and services from industry. Indeed these reforms have been essential in order to fulfill necessary requirements with fewer resources than in the past.

The use of commercial products and practices rather than military-unique products and services is undoubtedly one of the most significant changes in our defense environment. It used to be that the government knew best how to purchase the items and services needed to fulfill its requirements, but it is now relying more on the use of commercial best practices for its procurements.

To take advantage of new technologies and to extend their service life, COTS hardware and software are being introduced into mature systems. This new approach defers the development and implementation costs associated with bringing new systems online. This is all being done at lower costs and, frankly, is significantly impacting the way the defense industry operates today.

Is The Acquisition Process Really Getting Better?

During the past few years, Congress and Executive Agencies have spent considerable time attempting to improve the acquisition process. With many of the changes only recently being incorporated into Federal Acquisition Regulations, only time will tell whether or not the changes will yield the desired results. It is clear, however, that the process needed to be overhauled to meet future requirements in an environment with fewer and continually dwindling resources. The goal is for DoD to become a world-class buyer using the techniques similar to those being employed by today's most successful commercial companies.

Emphasis on Past Performance

One area receiving a great deal of attention has been the source-selection process, which is where industry and government usually interface with each other for the first time on a specific acquisition. We already have begun to see the increased emphasis on past performance in the source-selection evaluation criteria, which is a good, common sense measure to implement. At this point, some agencies have evolved a more effective past performance evaluation process than others, but clearly all government seems to be moving in this direction.

Of concern to industry, however, is the database that government agencies are attempting to develop on contractors' past performance for use in future proposal evaluations. There still seems to be a great deal of uncertainty in contracting activities on exactly who will furnish the data that will be implemented into this database. We find that it is difficult to accurately maintain a database on all of the tasks under all of the contracts we perform for the federal government. Maintaining an accurate, up-to-date database on contractors' performance under complex contracts is going to be a great challenge to the military agencies. While industry is supposed to have an opportunity to review this database, how will

information in the database contested by industry be handled? Will disputed data in this database still be used in source selections? Will the database lead to more protests? I believe that if this is not managed well, it could become a more contentious issue in time with the increased emphasis on past performance.

Improving The RFP Process

Technology is playing a bigger role in this phase of the acquisition process. Electronic Data Interchange is helping to streamline the Request for Proposal (RFP) process, especially in small purchases. So too is the use of oral technical proposals helping to streamline the process. We have had several experiences with oral technical proposals and found that oral proposals can be a very effective way to reduce the amount of Bid & Proposal cost incurred in pursuing an opportunity, if the oral proposal requirements are properly structured. On the other hand, we have encountered requirements for oral proposals that significantly increased our Bid & Proposal expense due to the requirement to conduct inordinately long oral presentations.

In the future, more use of teleconferencing should be considered as a way to improve the discussion process by having more face-to-face discussions through the use of teleconferencing. More discussions should lead to a better understanding on the

part of all parties in the pre-award phase, which should benefit both parties subsequent to contract award. Teleconferencing can also save expensive travel costs that are often incurred during discussions.

More Reform is Needed

Although much has been done recently to enact legislation to improve the acquisition process with passage of the Federal Acquisition Streamlining Act

Changing Acquisition System



of 1994 and the FARA, the implementation and cultural shifts necessary for these changes to really take hold will take more time to occur. But those improvements legislated thus far were needed, and the process to streamline the acquisition must continue. Source selections still take too long and need to be improved. Pre-qualifying bidders would appear to be a valuable step to save both government and industry precious resources. The Federal Aviation Administration (FAA) is implementing a new acquisition process intended to significantly improve FAA contracting. It is important to closely monitor the FAA experiences with this new acquisition process and find ways to implement similar practices into the Federal Acquisition Regulations where improvements are achieved.

I believe that Congress will keep looking for ways to make bureaucracy more efficient after the upcoming elections in November. Acquisition reform will continue to be an attractive candidate for reform, so it's likely that Congress will remain intimately involved in acquisition-related matters. The key to the success in empowering individuals in buying agencies to make the process better is whether or not Congress will trust these individuals in the Executive Branch of government to make acquisition decisions. There is always going to be a need for accountability when federal, state, or local tax funds are involved, but will the risktaker who fails be publicly humiliated by Congress and the media? The new system provides for more latitude and risktaking, but success will depend on the reactions when things go wrong.

Conclusion

In summary, the problems, issues, and challenges confronting industry are the same as the problems confronting the military agencies. It is essential that DoD and industry continue to forge a solid partnership to deal with the various acquisition-related issues and not address these issues in an adversarial manner. Only when there is mutual trust, cooperation, and even collaboration between all levels of DoD and industry will the process truly succeed.

DEFENSE SYSTEMS ACQUISITION MANAGEMENT PROCESS CHART

Paul McIlvaine

The DSMC Defense Systems Acquisition Management Process Chart has been recently updated, based on the March 15, 1996 promulgation of DoDD 5000.1 and DoDR 5000.2-R. This marks the fifth evolution of this highly successful chart that has been distributed to over 40,000 students and members of the acquisition community to date. First published in the January-February 1986 issue of *Program Manager Magazine*, the chart is used as an integration aid in many of our DSMC Courses. It has also been used by the Air Force Institute of Technology; Army Logistics Management College; Army Engineer School; Air Force Operational Test and Evaluation Center; University of Maryland; Computer Science School at Fort Gordon; University of Southern California; and the Industrial College of the Armed Forces (Senior Acquisition Course).

The chart is designed to serve as a convenient roadmap of acquisition functions throughout the systems life cycle. Based on policies and current best practices, the chart summarizes (in time sequence) the key events, activities, players, and documents used throughout the systems life cycle.

A DSMC Process Action Team, representing the government acquisition disciplines, completed this effort and consisted of the following:

Paul McIlvaine — Team Leader

Bill Bahnmaier	Don Fuji	Bill Motley	Barry Eller
Chuck Cochran	Paul McMahon	Frances Valore	George Prosnik
John Claxton	John Horn	Art Dehrnz	Paul Sabina

Shortly, the College plans to put the chart online as part of its DSMC Home Page on the Internet (<http://www.dsmc.dsm.mil>). Government personnel interested in obtaining a copy of this chart may send a written request to the following address:

DEFENSE SYS MGMT COLLEGE
ATTN AS PR
9820 BELVOIR RD
SUITE G38
FT BELVOIR VA 22060-5565

Government personnel may also telefax their requests on official stationery to (703)805-3726.

Nongovernment organizations and employees may order the chart by contacting the Government Printing Office (GPO) at (202) 512-1800. Request GPO Stock No. 008-020-01402-8. Telephone credit card orders can be made 8 a.m. to 4 p.m. eastern time, to (202) 512-1800. Orders can be telefaxed 24 hours a day to (202) 5612-2250.

Should you have any questions regarding the chart or how to obtain a copy, please call the DSMC Press (703) 805-3065 or DSN: 655-3056.

Acquisition Reform Acceleration Day, May 31, 1996

"The End of the Beginning"

Good morning everyone, and welcome. I want to thank you for participating in the Department of Defense's Acquisition Reform Day. I want to particularly thank Ms. Vancine Washington of the Naval Air Systems Command for that wonderful rendition of the National Anthem. And I would also like to thank our U.S. Marine Corps Band and the Joint Service Color Guard for presenting the colors and getting our Acquisition Reform Day off to a great start!

Today, across the entire Department, thousands of acquisition personnel are ceasing their normal operations and joining in a Department-wide discussion of institutionalizing our acquisition reform initiatives.

Theme

Throughout the acquisition community, commanders and managers are meeting with their team members to discuss the implementation of acquisition reform and to emphasize their commitment to getting best value for the warfighter.

Here in the Pentagon, we are also taking a day to put down our phones and push away from our desks and our in-boxes, so we can focus on acquisition reform — its past, its present, and its future.

We are at a point in our acquisition reform program that is not too much different than the situation faced by Winston Churchill during World War II when the United States entered the war. He observed that "This is not the end, or even the beginning of the end, but it is, I believe, *the end of the beginning.*"

Editor's Note: In a ceremony conducted in the Pentagon Courtyard, on May 31, Under Secretary of Defense (Acquisition & Technology) Paul G. Kaminski addressed the Department of Defense professional acquisition workforce as part of the day's events marking "Acquisition Reform Acceleration Day." The following text constitutes his remarks in their entirety.

When you think about it, this is exactly where we are in our program of acquisition reform and the reason why I've selected "The End of the Beginning" as today's theme.



TWO REPRESENTATIVES OF THE DEFENSE SYSTEMS MANAGEMENT COLLEGE CONFER WITH SENIOR ACQUISITION LEADERS DURING THE DAY'S EVENTS. PICTURED FROM LEFT: DSMC PROFESSOR RAY REIG; DEPUTY UNDER SECRETARY OF DEFENSE FOR ACQUISITION REFORM COLLEEN PRESTON; PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE FOR ACQUISITION & TECHNOLOGY R. NOEL LONGUEMARE; UNDER SECRETARY OF DEFENSE FOR ACQUISITION & TECHNOLOGY PAUL G. KAMINSKI; DSMC SPECIAL ASSISTANT FOR QUALITY MARY-JO HALL.

Objectives

The Department has begun to make substantial progress in improving the way it procures equipment and services. Our success is real and visible. Many programs are experiencing cost avoidances and savings in the \$100s of millions — a few in the billions of dollars. We are stripping away the onerous non-value added documentation and procedures and now have a foundation in place to move to 21st Century business practices.

This is good news, but I have gotten the sense that, due to the pressures of our daily work schedules and the sheer difficulty of communicating effectively across a broad and diverse organization, we need to do a better job of communi-



cating and gaining a common vision of what we as a team can do to accelerate implementation of our acquisition reforms across our entire acquisition system — from C-17s to socks, from major

defense acquisition programs, to base procurement.

We need to be sure that the word is getting out to every single member of our team. The message is too important not to be heard. That's why Emmett Paige, the Assistant Secretary of Defense for C³I, and I called for the acquisition community to observe today as Acquisition Reform Day. Our Department-wide discussion today will be along three distinct but related communication paths:

The first communication path is *top-down*. The goal is to have the Department's acquisition leadership publicize the policy changes and many important acquisition reform initiatives now underway. Executives, commanders, and managers throughout the acquisition community must take responsibility to ensure that their personnel are aware of the acquisition reform initiatives and their part in implementing them. It is important to communicate that we mean what we say and then back that up with our actions — to not only "talk the talk," but "walk the walk."

The second path is *horizontal*. The goal here is to have our program managers, contracting officers, logisticians, financial analysts, and other career professionals share with each other their lessons learned, best practices, and front-line wisdom. There have been many truly significant accomplishments. I ask you to crow a little to your peers — share what has worked, and recognize outstanding performers on your team in the presence of peers.

And the third path is *bottom-up*. The goal here is to have the Department's acquisition workforce — the practitioners in the field — communicate new ideas up the chain of command. We need feedback from you and all of our people on what's working, what's not, and what needs improvement. We also need to know what barriers to effective implementation still exist and what your recommendations are to overcome these barriers. I want everyone to use both their internal management chains and the Defense Acquisition University's Acquisi-

tion Reform Communications Center to provide us feedback. We have provided feedback forms in your information packages. I want to support you, to empower you to do your job better — but I need your ideas to do so.

Today the Department's acquisition community joins together to take stock of its collective efforts to improve its processes and procedures. You need to realize that each of you can make a difference.

Institutional Framework In Place

I am very proud of your accomplishments thus far in acquisition reform. The energy, dedication, and commitment that everyone in the Department has brought to acquisition reform is a real tribute to the professionalism of our acquisition community. It also shows what we can do when we work together as a team dedicated to a *common* goal.

Indeed, one of the key factors in our success has been our ability to work together in teams. Process Action Teams (PAT) have been the foundation of our efforts. Our PATs have worked as integrated teams representing important interests across the Department and industry to develop solutions that aren't just *smart* but are also *achievable*.

We have teamed with the Congress to enact landmark statutory reforms. With the passage of the Federal Acquisition Streamlining Act of 1994, the Federal Acquisition Reform Act of 1996, and the Information Technology Act of 1996, the Department has been able to take three huge steps toward becoming a world-class buyer. Now, working with the Office of Federal Procurement Policy, the Department is fully implementing these groundbreaking statutes.

Some of the key statutory reforms include: providing greater opportunities for streamlining by setting the Simplified Acquisition Threshold at \$100,000; giving the Department greater flexibility in implementing the Truth in Negotiations Act so that we can use our judgment in deciding where it is really necessary to obtain cost or pricing data;

expanding the definition of commercial items and making it easier to buy commercial items; and repealing the Brooks Act, which will significantly streamline the acquisition of automated information systems.

The Congress and the Department of Defense have been talking about acquisition reform for a very long time. More importantly, we are together now *doing* something about implementing real reforms — as a *team*.

But There is Still A Lot More To Do

We need to provide additional Title X statutory waivers for the defense acquisition pilot programs — eventually we need to change the statutes and make the reforms permanent. We need relief from provisions restricting defense contractors from supporting operational tests. We need a Dual Use Applications Program — one that is whole and viable — to help the Department leverage commercial technologies.

The reprogramming thresholds have not changed in over 20 years — we need to restore the original balance by doubling the \$4 million and \$10 million thresholds for reprogrammings within RDT&E and procurement accounts respectively. And we need additional flexibility to manage our financial affairs — why not give program managers some relief from the existing “color of money” restrictions between appropriations?

The Congress is continuing to provide the Department with additional flexibility. Both the House and Senate authorizing committees, for example, are giving favorable consideration to extending the Section 845 “Other Transactions” authority for the Defense Research Projects Agency to 1999, and providing this authority to the Secretaries of the Military Departments as well.

Together, the Congress and our team can continue to step up and *do* something real for the American taxpayer and our warfighters — equip U.S. forces with affordable tanks, ships, and planes that are second to none.

Reform of military specifications and standards is another landmark achievement. We have literally turned the entire MILSPEC world on its head. In the past, program managers had to seek waivers to use commercial specifications. Today, the shoe is on the other foot — anyone who wants to use a military specification must obtain a waiver.

Another important reform is the Single Process Initiative. Today, in many of our contractor’s facilities, the contractor will have one manufacturing process for its commercial customers and perhaps several different ones imposed by various DoD programs. The single process initiative deals with this problem by reducing the number of different processes and relying on commercial practices as much as possible. Our objectives are: (1) save money; (2) obtain a better product; and (3) foster a more competitive industry.

So far, we have received over 100 concept papers from 41 contractors proposing to modify 177 processes. We have modified 34 processes at four different contractors. In one single block change with Raytheon, we affected 884 contracts at 16 separate facilities!

Another important initiative is our effort to streamline and simplify acquisition oversight procedures. Historically, the Department’s oversight processes have been very burdensome, with the result that many of our program managers have spent more time dealing with the administrative hassles of the oversight process than actually managing their programs.

Today we have instituted a new approach, based on Integrated Product Teams. This approach facilitates identifying and resolving issues in a more timely manner. The key change is a move from after-the-fact oversight to early-and-continuous insight.

Yes, this insight approach is still relatively new, but we are starting to see results. For example, we have dramatically reduced the time from the day of the Defense Acquisition Board (DAB) meeting

to the signing of the Acquisition Decision Memorandum, which averaged about 23 days in 1994, to two days.

Also, because our early-and-continuous insight process is helping resolve major issues, I have been able to cancel numerous formal DAB meetings. Since there were no issues, there was no need for a formal meeting. Last year, 26 DAB meetings were scheduled to occur, but I only had to convene eight of them.

The rewrite of the Department’s 5000-series acquisition regulations is an excellent example of what integrated teams can achieve. On March 15, 1996, the Secretary of Defense approved the new policy and procedures, which are contained in DoD Directive 5000.1 and DoD Regulation 5000.2-R. The new regulations implement changes in the way the Pentagon has traditionally done business:

- Commercial practices and products are given special emphasis.
- Cost is treated as an independent — not a dependent variable.

Program managers and other acquisition personnel are empowered to use their professional judgment. Over 30 separate policy memos and report formats are canceled. The new policy documents themselves are almost 90 percent shorter than the old ones.

I have read the new regulations. I must admit that I tried many times to read the old 5000 documents without much success. These new documents are key to institutionalizing fundamental change in the defense acquisition process, and are a visible symbol of the Department’s acquisition reform efforts. It is important that each of you are aware of this new institutional foundation — a foundation of policy documents and available training and support materials.

Successes

Now that we have an institutional base in place, we are beginning to see the benefits of acquisition reforms. The evidence is still mostly anecdotal — but we are seeing savings on major programs like the Joint Direct Attack Munition, the C-17,

and the SMART-T, and on thousands of small purchases of items like T-shirts and socks.

The Joint Direct Attack Munition, or JDAM program provides a good illustration of the savings possible by switching from the old ways to the new ways of doing business. A couple of years ago, the Department set out to convert tens of thousands of "dumb" gravity bombs into "smart" bombs that could be accurately guided. The key to doing this was to build a kit for each bomb that could receive navigation signals from existing Global Positioning System satellites. We started the program the old way and estimated in 1993 that we could get the cost of each JDAM modification kit down to about \$40,000 by the time we converted our 40,000th unit.

Without the benefit of these reforms, we started the program by sending out a request for proposal that contained a 137-page work statement and 87 military specifications. Last year we sent out a new request for proposal. This time, we sent out a two-page performance specification — two pages about what we wanted the system to do, not how the contractor should go about doing it. And this time, we had no requirement for any military-unique specifications or standards.

As a result, we signed a contract early this year for JDAM kits that cost \$18,000 each — starting with the first unit, not the 40,000th. When you are buying over 80,000 such kits, that amounts to a major savings — approximately \$2.9 billion or about 50 percent of the original program cost. Those savings have now been applied to the Department's pressing modernization priorities in the President's fiscal year 1997 budget request.

The Department has been able to put tangible procurement reform into play on major programs like JDAM and on thousands of smaller purchases like T-shirts, socks, and Navy Chukka shoes. By scrapping the military specification for T-shirts and socks, the Defense Logistics Agency is now buying brand name commercial undershirts and socks for



UNDER SECRETARY OF DEFENSE FOR ACQUISITION & TECHNOLOGY PAUL G. KAMINSKI ADDRESSES THE PROFESSIONAL ACQUISITION WORKFORCE AS PART OF ACQUISITION REFORM ACCELERATION DAY, PENTAGON COURTYARD, MAY 31, 1996.

**...Remember, this is
not the end of our
work in acquisition
reform nor even the
beginning of the end.
I do think, though,
that today marks the
end of the beginning.**

military clothing sales stores — offering superior quality at 10- to 20-percent discounts.

Summary

I want to conclude by thanking all of you again for your dedication and asking for your commitment to acquisition reform.

Your participation in today's events means that you will be even better equipped with our new acquisition reform tools to really make a difference.

I also want to thank "Doc" Cooke for his assistance in permitting us to use the Pentagon Courtyard to set up our Acquisition and Technology "Camp Site." I want to note that Doc's people have obviously implemented acquisition reform — it only took *four hours* from start to finish to get the contractors on site to work out details for the tents we will be using today. This is clear evidence of the benefits of using commercial practices. Thanks, Doc.

I want to thank the individuals who will be leading discussion sessions today. Participants will be able to attend the session of their choice. Today, we have sessions on several important initiatives:

- The New 5000 documents
- Defense Acquisition Desk Book
- Cost as an Independent Variable
- OIPT and IPT Processes
- Streamlining Testing
- Single Process Initiative
- A&T Rotations and Training
- FASA/FARA Implementation
- ACTDs
- IG Acquisition Reform Initiatives
- Reducing Life Cycle Costs
- Commercial Acquisition and Practices
- Earned Value
- Specs and Standards
- IPPD

I want to thank Colleen Preston, the Deputy Under Secretary of Defense for Acquisition Reform, for all her hard work over the last three years to make acquisition reform a success.

Finally, I want to thank Irv Blickstein, Donna Richbourg, Rick Engel, Joe Ferrara, and Dan Dunmire for all their work to make this day a success.

Have an enjoyable, but productive day. And remember, this is not the end of our work in acquisition reform nor even the beginning of the end. I do think, though, *that today marks the end of the beginning.*

Defense Acquisition Internet Sources

A Storehouse of Valuable Information for Defense Acquisition Professionals

LT. COL. (P) STEPHEN V. REEVES, USA

The Secretary of Defense has one. So does the Under Secretary of Defense for Acquisition and Technology, many of the Assistant Secretaries of Defense, all of the Services, and the Joint Chiefs of Staff. Some project offices have one. Even *Program Manager* magazine is part of one.

What they all have are sites on the Internet's World Wide Web. And they represent a storehouse of valuable information for defense acquisition professionals. Interested in Acquisition Reform? Try the Acquisition Reform Home Page. Do you need the latest information on acquisition education and training requirements, career development, or critical acquisition positions? Try the DoD Acquisition Workforce Home Page. Or maybe you need to update your *Program Manager's Notebook*. That too is normally available right at your desktop computer through the Defense Systems Management College's Web site.

So Where Do I Find This Information?

Whether you are an Internet novice or trace your lineage back to the Internet's progenitor, DoD's ARPANET, you know that finding the information you need on the Internet is not always easy and can be very time consuming. Programs that help you search the Internet for information are getting better and more sophisticated. But today, these Internet search engines can still produce some useful, and many less-than-useful results. For example, a recent Internet search for legislative information on the Air Force's new C-17 aircraft produced references

to the Airlift Enhance Act (probably useful information), as well as to the Consumer Choice Health Reform Act and the Free Burma Act (probably not-so-helpful information).

To save you some time, and perhaps frustration, what follows is a potpourri of defense acquisition sites on the Internet. This list is by no means comprehensive. But this listing does provide an overview of Defense Acquisition Internet sites, maybe some places to look you haven't thought of before, as well as some sites that could make your job a bit easier. A quick reference listing to these sites as well as some other sites you may want to visit are included in this article.

Department of Defense

Office of the Under Secretary of Defense for Acquisition and Technology (USD(A&T))
(URL: <http://www.acq.osd.mil/>)

Whatever your role or interest in the defense acquisition process, this is the place to start. Maintained by the USD(A&T), this is the home of ACQWeb. This home page provides you with links or "jump points" to a rich repository of acquisition-related information, including the home pages of all USD(A&T) subordinate offices such as Acquisition Reform, Defense Research and Engineering, and Advanced Technology. Also included are links to recent USD(A&T) press briefings and testimonies. This home page is frequently updated and well worth visiting regularly.

The Acquisition Reform Home Page
(URL: <http://www.acq.osd.mil/ar/>)

The Acquisition Reform Home Page delivers far more than the name implies. Yes, you will find a storehouse of acquisition reform-related documents, speeches, and press briefings. But also included are links providing information on the latest educational opportunities at the Defense Acquisition University and the Defense Systems Management College as well as links to the DoD Electronic Commerce Office.

The Defense Acquisition University
(URL: <http://www.acq.osd.mil/dau>)

At the Defense Acquisition University (DAU) site, you will find the latest course offerings including what courses are available, and when and where they are offered. What training do you or your workforce require? This site contains a very helpful checklist providing the latest Defense Acquisition Workforce Improvement Act certification standards as well as a listing of assignment-specific courses for individuals performing acquisition specialty functions. Trying to balance your budget against training requirements? Also listed are the DAU course offerings sorted in economical order based on General Services Administration city pair airfares and per diem tables for your location.

The Defense Systems Management College
(URL: <http://dsmc.dsm.mil>)

Likewise, the Defense Systems Management College site provides course catalogs and up-to-date class schedules. Need to update your *Program Manager's Notebook*? This site provides the most recent fact sheets on all major facets of program management with references to sources

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of more detailed information on each subject.¹

The Electronic Commerce Office
(URL: <http://www.acq.osd.mil/ec>)

Have you ever tried searching the voluminous pages of the Federal Acquisition Regulations (FAR) only to wonder if you really found everything on your subject? At the Electronic Commerce Office Home Page, you will find an interactive search engine allowing an automated search based on entering key words of your choice. In addition you will find the latest information in the rapidly developing area of electronic data interchange contracting standards, processes, and requirements.

Defense Technical Information Center (DTIC)
(URL: <http://www.dtic.dla.mil/hovlane>)

DTIC's HOV-LANE Home Page specializes in links to defense acquisition information sources. These technically oriented sites range from LABLINK, providing information on DoD Laboratories, to the Environmental Restoration Electronic Bulletin Board. Of general interest is the DoD Acquisition Workforce Home Page. Jumping to this site provides information on recent acquisition workforce legislation, regulations, and critical acquisition positions.

The Services

Think Joint! We've all heard that before, but it is particularly true when looking for acquisition-related information on the Internet. Each of the Services and many of their program offices maintain sites on the World Wide Web. Although your Service or DoD organization may have their own Web site, other Service sites also have a lot to offer. A selective overview follows:

The Army Acquisition Corps Home Page (URL: <http://www.army.mil/aac-pg/aac.htm>; also accessible through <http://www.army.mil>) This comprehensive site offers information of interest to all acquisition professionals. In addition to Army-specific career development, acquisition policy, and information on other Army organizations, this site provides links to other Service and Office of the Secretary of Defense (OSD) acquisition home pages.

QUICK REFERENCE INTERNET ADDRESSES

**DEPARTMENT OF DEFENSE
Advanced Research Projects Agency**
<http://www.arpa.mil>

Acquisition Reform Communications Center
<http://bath.ncr.mil:8889/~dau/arccl.html>

Acquisition Reform Home Page
<http://www.acq.osd.mil/ar>

Defense Acquisition University
<http://www.acq.osd.mil/dau>

Defense Information Systems Agency
<http://www.disa.mil>

Defense Mapping Agency
<http://www.dma.gov>

Defense Modeling and Simulation Office
<http://www.dmsi.mil>

Defense Systems Management College
<http://www.dsmc.dsm.mil>

DoD Acquisition Workforce Home Page
<http://www.dtic.dla.mil/acqed2/acqed.html>

DoD Electronic Commerce Office
<http://www.acq.osd.mil/ec>

National Security Agency
<http://www.nsa.gov:8080>

Office of the Under Secretary of Defense for Acquisition and Technology (USD[A&T])
<http://www.acq.osd.mil>

USD(A&T) Jump Site to all other USD(A&T) Offices
<http://www.acq.osd.mil/acqweb/navigatr.html>

**SERVICES
Air Force Institute of Technology**
<http://www.aft.af.mil>

Army Acquisition Corps
<http://www.army.mil/aac-pg/aac.htm>
(also through <http://www.army.mil>)

Army Acquisition Executive
<http://www.sarda.army.mil>

Navy Acquisition Reform
<http://www.acq-ref.navy.mil>

Secretary of the Air Force/Acquisition
<http://www.safaq.hq.af.mil>

U.S. Coast Guard Research and Development Center
<http://www.rdc.uscg.mil>

USMC Research Center
<http://www-mcu.mcg.usmc.mil/www/MCRC/mcrc.htm>

**OTHER EXECUTIVE BRANCH SITES
Commerce Department, National Technical Information Service**
<http://www.fedworld.gov/preview/preview.html>

Federal Acquisition Institute
<http://www.gsa.gov/staff/v/training.htm>

FedWorld Information Network
<http://www.fedworld.gov>

GSA Information Technology Sites
<http://www.gsa.gov/et/et.htm>

National Performance Review
<http://www.npr.gov>

White House
<http://www.whitehouse.gov>

**U.S. CONGRESS
Congressional Record (104th Congress)**
<http://thomas.loc.gov>

General Accounting Office
<http://www.gao.gov>

Legislation (full txt, 104th Congress)
<http://thomas.loc.gov/home/c104/html>

Thomas Legislative Information
<http://thomas.loc.gov>

**WORLD WIDE WEB SEARCH
SOFTWARE
Internet Search**
<http://www.search.com>

Lycos
<http://www.lycos.com>

NetScape
<http://home.netscape.com>

Webcrawler
<http://webcrawler.com>

Yahoo
<http://www.yahoo.com>

WHAT WENT WRONG?

You typed the right Uniform Resource Locator (URL) address and nothing is happening. What went wrong? First, it's probably not your fault. Referring to the Internet as the Web is an apt analogy. The Internet is a system of systems. It is a giant collection of computer networks that agree to connect to one another. And as any reliability engineer will tell you, this type of system offers the possibilities for multiple points of failure. What is remarkable is how infrequently this occurs on the Internet. But some failures do still happen. So what to do? Here are some things you can try:

- Check the URL address you just typed and ensure it's correct. Remember that Internet addresses are upper and lower case sensitive.
- If you are using a graphical browser, try clicking on the "reload" button.
- Check to make sure you are still "online" by trying a different URL address.
- You receive a message such as "connection refused" or "no route to host" or "URL Unknown." These messages mean what they say. Or they may not. Here are some other possibilities:

—The site you are trying to visit may be temporarily out of service, or it may limit the number of users visiting the site at any one time. If this is the case, you can only wait until the site is available. Try again later.

—Try modifying the URL address. For example, you entered the following URL:

"http://www.dtic.dia.mil/acqed2/acqed.html"

Instead, try a portion of the URL address up to one of "/" marks. For example:

"http://www.dla.mil/"

Then use the links at this site to go to the site you want. It's slightly longer than direct access, but frequently works.

—URL addresses change frequently! Most Web sites will post notices of their new Web site addresses for 30 days or more. However, if you do not receive a message with the new URL address, you may need to return to an Internet search program, such as Yahoo or Webcrawler, to obtain the new URL address.

The Navy Acquisition Reform Home Page (URL:www.acq-ref.navy.mil)

This Home Page is maintained by the Navy's Acquisition Reform Office (ARO) and incorporates a very useful site search function. Users simply type in key words in a search form and are linked automatically to the sources. Another useful feature is the legislative status link, providing information on acquisition-related congressional actions. In addition, this site provides copies of ARO's newsletters and acquisition reform documentation.

The Secretary of the Air Force/Acquisition (SAF/AQ) Home Page (URL:www.safaq.hq.af.mil)

Providing information to Air Force users on acquisition reform, policy, workforce information, program information, and contracting, this site also offers links to a vast array of other government and non-governmental Web sites. Go to *SAF/AQ Weblinks* on this Home Page. At the *Weblinks* site is an impressive listing of DoD acquisition and other government sites as well as links to a variety of World Wide Web search software.

The Rest of the Federal Government

You know that some branch or agency of the federal government has the information you are looking for. But which one? Try starting with the FedWorld Home Page (URL: <http://www.fed-world.gov>). This site provides access to more than 10,000 files from all government agencies, indexed by subject. Also included are abstracts from recent government reports (within the past 30 days) sent to the Department of Commerce National Technical Information Service (NTIS). Or you can jump directly to the NTIS Preview Database and conduct a search based on a keyword, source, title, subject, author, etc.

If you know the information you need is in the Executive Branch, including the cabinet and independent federal agencies and commissions, go to Executive Branch Home Page (URL: <http://www.whitehouse.gov>), which includes links by subject and agency. For example, need the latest Budget of the

United States? It's available from the Office of Management and Budget (URL:<http://www.whitehouse.gov/WH/EOP/OMB/html/ombhome.html>).

Congress also provides a wealth of information on the World Wide Web. You can search for recent General Accounting Office Reports at the General Accounting Office Home Page (URL:<http://www.gao.gov>). Similarly, the Government Printing Office (URL: <http://www.access.gpo.gov>) provides online access to reports on emerging technologies as well as background papers, briefings, and congressional testimony.

If you are interested in what Congress is legislating, proposing, or saying about defense acquisition, a truly excellent Web site is Thomas Legislative Information on the Internet, operated by the Library of Congress. The Thomas Home Page (<http://thomas.loc.gov/home/thomas.html>) provides the full text of all versions of House and Senate bills as well as the *Congressional Record* for the current and immediate past congressional sessions. Digests and legislative histories of bills and amendments are also available. Bills and their amendments, the *Congressional Record*, and the *Legislative Digest* are all searchable by key words, bill numbers, or sponsors.

There's a Lot More Out There

The World Wide Web sites discussed previously only briefly touch on the vast storehouse of Defense Acquisition Information available on the Internet. These sites are good places to start...not stop. Expand your thinking about where the information you need might be. Many defense contractors, universities, and foreign governments maintain World Wide Web sites. So what? Contractor Web sites may contain everything from current products to recent financial information, such as quarterly or annual reports to future plans. Universities are a rich source of technical information on new and emerging technologies. If you are in the foreign military sales arena, foreign government Web sites may provide key information or insights. You may even get some ideas for designing your own Web

INTERNET TERMS

INTERNET TRANSLATOR

Every discipline develops its own terminology and shorthand way of expressing ideas. The Internet is no different. The following are some common Internet terms to help you quickly get around on the Information Superhighway.

Graphical Browser

This is software that gets you from file to file. If you are familiar with Windows software, you are using a graphical interface. In other words, point and click. This software provides the screen where you enter your URL address as well as many other useful functions such as storing URL addresses, printing information, and displaying Web site graphics. There are several browsers available. Two of the most popular are Netscape Navigator and Mosaic.

Home Page

Basically a home page represents a table of contents of the World Wide Web site you are visiting. Most home pages then offer a variety of automatic links (see HyperText Transfer Protocol) to other areas of their Web site or to related home pages.

HyperText Transfer Protocol

HyperText Transfer Protocol, or http, provides the common language for the World Wide Web. Developed by CERN, a physics laboratory in Geneva, Switzerland, http permits one computer to link with another computer. Http is the process used when you access a World Wide Web site home page and "click" on another site you would like to visit.

Uniform Resource Locator (URL)

A URL is the Internet address of a specific file located on a computer and accessible through the Internet. A typical URL address is (<http://www.arpa.mil>). (Put another way, the URL address is the set of characters you type to get to a site on the World Wide Web.

World Wide Web

The World Wide Web is only one way to access the Internet. Others include file transfer protocol (ftp) and terminal emulation (telnet). What makes the "Web" the fastest growing application on the Internet is its ease of use. Graphical browsers and a common language, HyperText Transfer Protocol, allow multimedia presentations and automatic links to other Web locations.

site for your program office or organization. And once you've discovered a new and useful Web site, share the information with your colleagues.

Finally, if you are new to the Internet, or just thinking about starting, remember this is about retrieving the information you need, not becoming a technology wizard. Don't be intimidated. Like using a library for the first time, there are some conventions you need to learn, but they are not all that hard. An Internet Translator is included with this article for your convenience. Also at the end of this article is a brief bibliography of helpful Internet users guides available in most public libraries and book stores.

Author's Note: Internet addresses change frequently. Every effort was made to ensure the URL addresses listed in this article were operational at publication time.

END NOTE

At press time the Internet version of the *Program Manager's Notebook* was temporarily disabled due to updating.

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On behalf of the DSMC Press, many thanks for your continued readership and support.

—Collie Johnson
Managing Editor

From Packard to Perry

DSMC Celebrates a Quarter Century of Service to the Defense Acquisition Community

COLLIE J. JOHNSON

The man who was chiefly responsible back in 1971 for the founding of the Defense Systems Management School [College], former Secretary of Defense David Packard, did not live to see the College reach its quarter century anniversary. Packard, who was invited to attend the celebration as an honored participant, died on March 26, 1996, a few months' short of the anniversary celebration. However, his legacy stood the test of time. In the brief span of 25 years since its founding, the College has become a nationally as well as internationally recognized center of excellence. By the end of FY 95, the College had graduated over 77,000 students from numerous companies/industries, government agencies, Military Departments, and foreign nations.

A Time to Celebrate

On June 25, Army Brig. Gen. Richard A. Black, DSMC Commandant, hosted the College's 25th Anniversary Celebration at Scott Hall, Fort Belvoir, Va. Those in attendance came from all walks of the government and industry: members of the DoD professional acquisition workforce and defense industry; former faculty and staff; representatives from other federal agencies; alumni; former commandants; senior acquisition leaders; and representatives from the Military Services. For many, they came to celebrate the success and continued growth of the College's flagship course — the Program Management Course, which graduated a mere 60 students from its first class in 1971. Replaced by the Advanced Program Management Course in 1995, the College now routinely graduates over 400 students per class.

A Fitting Tribute

In keeping with its military heritage, the College began its celebration with a formal ceremony that included the arrival of the official party; presentation of colors by the Armed Forces Color Guard, accompanied by the Fife and Drum Corps, 3rd U.S. Infantry; rendering of the National Anthem by Professor Paul McIlvaine, DSMC; and the Invocation by Fort Belvoir Army Chaplain (Maj.) Michael Travaglione.

Army Lt. Col. John Mahony, Executive Officer to the Commandant and Master of Ceremonies, acknowledged and welcomed several distinguished guests: Gladys Keat-

CLOSE-UP: BUST OF ARMY BRIG. GEN. WINFIELD S. SCOTT III, A CLAY LIKENESS CREATED BY DSMC'S VISUAL ARTS AND PRESS DIRECTOR, GREG CARUTH.



GREG CARUTH,
DIRECTOR, VISUAL
ARTS AND PRESS

DEPARTMENT, DSMC, UNVEILS HIS ORIGINAL LIKENESS IN CLAY OF THE LATE ARMY BRIG. GEN. WINFIELD S. SCOTT III, FIRST DSMC COMMANDANT. THE BUST WILL BE CAST IN BRONZE AND DISPLAYED IN THE LOBBY OF SCOTT HALL AT DSMC'S MAIN FORT BELVOIR CAMPUS. ON HAND TO WITNESS THE UNVEILING WERE MRS. RUTH SCOTT, WIFE OF THE FIRST COMMANDANT, AND HER SON, ARMY BRIG. GEN. BRUCE SCOTT. PICTURED FROM LEFT: ARMY BRIG. GEN. RICHARD A. BLACK, DSMC COMMANDANT; MR. CARUTH; MRS. SCOTT; ARMY BRIG. GEN. BRUCE SCOTT.

Johnson is Managing Editor, Program Manager, DSMC Press.

ing, Representative of the Virginia House of Delegates; Air Force Lt. Gen. Ervin Rokke, President, National Defense University; Colleen A. Preston, Deputy Under Secretary of Defense for Acquisition Reform; Dr. James McMichael, Director, Acquisition Education, Training, and Career Development; Navy Rear Adm. (Ret) Jeremy Smith, Dean, Information Re-

sources Management College; Donald Campbell, President and Chief Executive Officer, Century Technologies Incorporated; Thomas Crean, President, Defense Acquisition University; Walter B. LaBerge, Former Under Secretary of the Army; and Ruth Scott, wife of the late Army Brig. Gen. Winfield S. Scott III (DSMC's first commandant), escorted

by her son, Army Brig. Gen. Bruce Scott. Eleven DSMC former commandants also attended the ceremony: Air Force Lt. Gen. (Ret) John G. Albert; Air Force Brig. Gen. Claude M. Bolton, Jr.; Air Force Brig. Gen. (Ret) Charles P. Cabell; Army Col. (Ret) Thomas V. Forbarger; Navy Rear Adm. (Ret) Roland G. Freeman II; Army Col. (Ret) John B. Hanby, Jr.; Navy Rear Adm. (Ret) Roger D. Johnson; Army Brig. Gen. (Ret) Benjamin J. Pellegrini; Army Maj. Gen. (Ret) Lynn H. Stevens; Air Force Lt. Gen. (Ret) William E. Thurman (Thurman is now the first President of the Alumni Foundation, which will hold its official inauguration later this year); and Navy Rear Adm. (Ret) William L. Vincent.

"The Man Who's Walked a Mile or Two in Our Shoes"

On behalf of the College, Black welcomed the keynote speaker for the day's events, Dr. Paul G. Kaminski, Under Secretary of Defense for Acquisition and Technology. Speaking of Kaminski's commitment to and affection for the College, Black noted that he was indeed a welcome and frequent visitor to the campus. "Mention Dr. Kaminski's name at DSMC and you'll hear stories of bottlenecks unblocked, processes expedited, or words spurring action." Quoting Kaminski's words to a recent DSMC graduating class, Black affirmed Kaminski's challenge: "It's time for doing and not just talking."

Black also spoke of trust. "Candor," he stated, "is the life blood of this type of a relationship, but I also believe that respect and trust lie at its heart. Respect certainly for a man whose professional and academic achievements include a doctorate from Stanford, Chairman of the Defense Science Board, not to mention his current position, but also trust...trust in the career Air Force officer who's walked a mile or two in your shoes and mine. The fact is that defense acquisition and all that we here at DSMC do to support it must be built on an understanding of people every bit as thorough as our understanding of the process. Not everyone can bring it off and few as well as our speaker."



UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND TECHNOLOGY, DR. PAUL G. KAMINSKI, PROVIDED THE KEYNOTE ADDRESS FOR THE DAY'S EVENTS.



DEPUTY UNDER SECRETARY OF DEFENSE FOR ACQUISITION REFORM, COLLEEN A. PRESTON, PRESIDED OVER THE DEDICATION OF THE DAVID PACKARD EXECUTIVE CONFERENCE CENTER.



ARMY BRIG. GEN. RICHARD A. BLACK, DSMC COMMANDANT, GAVE THE OFFICIAL WELCOME AND OPENING REMARKS AT THE 25TH ANNIVERSARY CELEBRATION.

Paul Kaminski — “Turning the Acquisition World on its Head”

Dr. Paul G. Kaminski, USD(A&T), as keynote speaker, began his remarks by expressing his great pleasure at the opportunity to join so many of his colleagues and associates in celebrating the 25th Anniversary of the Defense Systems Management College.

Quoting David Packard, Kaminski said that, “Defense acquisition is the largest and the most important business enterprise in the world. It deserves to be managed with the very highest standards. I think if he were with us here today he would tell all of you how proud he and we all are of this institution. The thousands of people who have been educated here over the past 25 years have been integral to achieving David Packard’s vision and our current acquisition reform efforts.”

Kaminski also spoke of how DSMC was born at a time of great turmoil for the acquisition community. “Many of you who are here today...remember all too well some of the allegations involving massive shipbuilding claims, significant cost and schedule overruns, test deficiencies, and an underlying adversarial business-government relationship that was existing at the time.”

It was in that atmosphere, according to Kaminski, that in 1969 David Packard pulled together a group to review the management of the defense acquisition system. This group found that a consolidated education and research institution could provide the foundation for a much stronger system. With that recommendation in hand, David Packard envisioned a school to train managers from every corner of our acquisition community, anyone from a GS-13 or O-5 action officer level to our most senior leadership in the Department. This school, as envisioned by Packard, would keep them all current on cutting edge management practices through education, through research, and through the provision of advisory support.

Commending the College, Kaminski briefly reviewed its progress over the last

25 years. “Today, it [DSMC] is a premier acquisition teaching and research facility, providing advice and disseminating information to the entire acquisition community and to the private sector as well.”

The Numbers Tell the Story

Referring to DSMC’s phenomenal growth, Kaminski related that in recent years, the College has approached five-figure attendance, serving 9,897 students in 1994 alone. The faculty members not only taught classes, they conducted research and offered consultation in 269 different areas of expertise — anything from acquisition logistics to welding. In 1996, more than 17,000 people in government, industry and academia subscribed to the College’s *Program Manager Magazine*; another 13,000 received the *Acquisition Review Quarterly*.

The beneficial effects on the Department of Defense, according to Kaminski, are pervasive. More than 77,000 people have been educated at DSMC. This training has benefited all levels of responsibility including the senior leadership. In the past 25 years, 571 flag officers and 549 SES civilians have taken at least one of the executive short courses at DSMC. He also reminded the audience that, “today, for the first time, a DSMC graduate and good personal friend of mine, John Douglass, is serving as a Service Acquisition Executive, the very first Service Acquisition Executive to have graduated from DSMC.”¹ Continuing, Kaminski noted that, “Today the school graduates 71 percent more students than it did in 1990, but the cost per student has declined 37 percent from just a little over \$4,000 to about \$2,500.”

He stated that DSMC is not only teaching students how to do more with less, it’s showing them how it is done by conducting extensive in-house reviews and reforms and applying today’s best management practices to its own administration. Referring to DSMC’s selection in 1995 as the first government agency to receive an on-site visit by a team of Malcolm Baldrige National Quality Award examiners, Kaminski acknowledged that, “DSMC is also showing the nation how to run a quality institution by partici-

pating in the Malcolm Baldrige National Quality Award Education Pilot Program and the President’s Quality Award Program.”

Perhaps Kaminski’s greatest compliment to the College was summed up in this remark: “*The beneficial effects of DSMC defy measurement.*” He discussed his own experiences in participating in the College’s Executive Program Managers Course, and how the staff and faculty have literally “turned around and made tangible improvements in the programs they manage...I have personally gained insight from my discussion with students about some of the barriers and some of the opportunities managers are facing today as they actually implement our program of acquisition reform.”

A Dynamic Memorial to David Packard’s Vision

Speaking of DSMC’s role in implementing DoD’s program of acquisition reform, Kaminski stated that, “In addition to educating the people that are implementing those reforms, DSMC has had a hand in designing just about every major acquisition reform we’ve made since I’ve become the Defense Acquisition Executive.”

He told the assembled audience that they have helped change the way all future acquisitions will be made by helping, for example, to rewrite the whole 5000 Series of regulations and reconfigure Military Specifications and Standards to allow the use of commercial and performance standards and specs wherever possible and prudent.

Referring to key legislation enacted which will guide future procurements, Kaminski said that, “With the passage of the Federal Acquisition Streamlining Act of 1994, the Federal Acquisition Reform Act of 1996, and the Information Technology Act of 1996, the Department has been able to make three huge steps forward in the direction of becoming a world-class buyer. With your help, the Department is now fully engaged in implementing these ground-breaking statutes.”

“The Congress and the DoD have been talking now about acquisition reform for

a long time. More importantly, we are now actually doing something about implementing real acquisition reform, and we're doing this as an effective team. And we will continue to need your help in this process with additional reforms within our system and reforms without, including additional legislative reform. We all have a lot more to do."

What Lies Ahead?

In the field of legislative reform, Kaminski believes we need to provide additional Title 10 statutory waivers for our defense acquisition pilot programs, and that eventually we need to change the statutes and make these reforms permanent across all of our programs. He also spoke of several other changes he would like to see implemented: relief from provisions restricting defense contractors from supporting our operational tests; a dual-use applications program, one that is whole and viable to help the Department truly leverage commercial technologies in our program; and because our reprogramming thresholds in the Department have not changed in over 20 years, a need to restore the original balance by doubling the \$4 million and \$10 million threshold for reprogrammings within RDT&E and Procurement Accounts, respectively.

Further, he supports additional flexibility to manage our [DoD's] financial affairs. As an example, he posed the question, "Why not give our program managers some relief from all of the extensive 'color of money' restrictions between our various appropriations?"

Commending Congress, he added that they are continuing to provide the Department with added flexibility. "Both the House and the Senate Authorizing Committees, for example, are giving favorable consideration to extending the Section 845, Other Transactions, authority for the Defense Research Projects Agency to the year 1999, and providing this authority to the Secretaries of the Military Departments as well...a very beneficial move in my opinion." Summing up the mutual cooperation between the DoD and Congress, Kaminski said that,

"Together the Congress and our team continue to step up and do something real for the American taxpayer and for our warfighters who are our ultimate customers."

Single Process Initiative

One of our biggest successes, according to Kaminski, will in all probability be our Single Process Initiative Program. Explaining the concept of the Single Process Initiative, Kaminski said that in today's defense industrial environment, many of our contractor facilities will have one or more manufacturing processes for commercial customers and then several additional processes that have been imposed by the DoD. "The idea behind the Single Process Initiative is to consolidate down to as few a number of processes as possible, and as we're consolidating, to make those processes commercial. Our objective is to save money, to obtain a better product for processes that are better understood and controlled, and to foster a more competitive industry."

"So far we have received over 100 concept papers from 41 contractors proposing to modify 177 different processes in this program. We have modified 34 processes of four different contractors. In one single block change, in this case with Raytheon Corporation, we effected 884 contracts at 16 different facilities in one fell swoop."

The End of the Beginning

In closing, Kaminski said that, "We have come, I think, to an important and encouraging point in our acquisition reform effort. There are times when I think I understand how Winston Churchill must have felt when the United States entered World War II. At the time he said, 'This is not the end or even the beginning of the end, but it is, I believe, the end of the beginning.' And that's how I feel today about our program of acquisition reform. I believe we have reached the end of the beginning of acquisition reform. We now have a very sound foundation to build on and to propagate through our whole system and to continue to upgrade it with continuous improvements."

DSMC is a Critical Agent for Acquisition Reform

Kaminski told the College that success in this kind of effort takes more than procedural change. Lasting success, he asserts, takes cultural change. "I and all the senior leadership at the Department of Defense consider DSMC to be a very critical agent of this kind of cultural change. You are producing the leaders for the acquisition system of the 21st Century, and you are helping today's leaders make that system a reality. There are few institutions doing more to ensure the future security of this country."

In concluding his remarks, Kaminski again spoke of David Packard and expressed his support of the College's decision to dedicate a building to the memory of its founding father. "In a short while we will dedicate a building on this campus to the memory of David Packard. That is quite an honor for him, but even a greater honor is the continued work of this institution. The Defense Systems Management College is itself a dynamic memorial to David Packard's vision. As he once said, 'It is in the interest of everyone in this country who seeks peace and freedom in this troubled world to keep our American military capability strong and to use our resources well in that process,' and you are a critical agent in helping us to do both."

Recognition of Staff, Faculty, and Special Guests

Army Lt. Col. John Mahony, Executive Officer to the Commandant and Master of Ceremonies, next announced the recognition of "the people who make this College the outstanding place to work that it is — the Defense Systems Management College staff and faculty."

The first person to be recognized was Lou Jones, a member of the Automation Operations and Education Department. Jones was presented with a plaque in recognition of his 24 years of service with DSMC — the longest period of employment for any College employee.

Dr. Ben Rush, a member of the College's Faculty Division, was recognized for more than 20 years' employment at the College.

Also recognized was Andrea Jurjans, a student from the first class held at the Defense Systems Management School as it was then known. Mahony noted that more than just being a graduate of the first program management course, Jurjans is still a federal employee.

In speaking of the next group to be recognized who participated in the Disabled Volunteers Program, Army Brig. Gen. Richard A. Black, DSMC Commandant, spoke of their special contributions. "The Disabled Volunteers Program began at DSMC in 1993. Let me add my appreciation not only for the job that you've done, but for the continuing job that you do every day, whether it's here at the College or out in industry, for the things that you say about DSMC, and the reputation you carry with you from DSMC."

First to be recognized was Ellen Davidson, who began at the College in 1992, and is now an employee in the College's Protocol Office. Jeff Marble, who was with the Executive Short Course Division in 1993 and is now an employee at Foxe Music, was also recognized. Both were presented with a brass coin representing the DSMC Commandant's Award for Excellence.

Pulley Vocational Center, which has also provided many of the College's volunteers over the years, was also represented by Barbara Novitsky, Assistant Principal.

In 1993 DSMC and Bryant Alternative High School entered into the Adopt-a-School Program, which is now referred to as the Partnership in Education Program. Representing Bryant High School at the Anniversary Celebration was the Principal, Armand Sebastianelli.

The DSMC Alumni Association was founded in 1983, and in a period of 13 years has grown to almost 2,000 members. Its President, Wayne Glass, was also recognized.

Presentation of the Bust of Brig. Gen. Scott

The Defense Systems Management College is indeed fortunate to have on its staff a remarkably talented Direc-

tor of its Visual Arts and Press Department, Greg Caruth. Over the years, Caruth has designed many posters, brochures, publications, exhibits, drawings and models. His latest effort, a likeness in clay of the late Army Brig. Gen. Winfield S. Scott III, first DSMC Commandant, was completed especially for the anniversary.

Caruth personally unveiled the bust on stage for Mrs. Scott, wife of the first Commandant, and her son, Army Brig. Gen. Bruce Scott, in a formal presentation. (This bust will be cast in bronze and displayed in the lobby of Scott Hall at DSMC's main Fort Belvoir campus.) Caruth was part of the original enlisted staff of the Defense Systems Management School [DSMC] in 1971 when the school opened.

Happy Birthday DSMC!

After leading the audience in a lighthearted version of "Happy Birthday DSMC," Black encouraged everyone to stay for the dedication of the David Packard Executive Conference Center, and reminded them that a DSMC History Book and a commemorative pin would be available for all. He also invited them to tour the many exhibits in the lobby outside the auditorium and in the new David Packard Executive Conference Center, and reminded them that a museum of 25 years of memories was on display in the library.

"All That's Best About DSMC"

Colleen A. Preston, Deputy Under Secretary of Defense for Acquisition Reform, next dedicated the David Packard Executive Conference Center in a speech at the Center following the Anniversary Celebration. Preston began her remarks by repeating Packard's vision for DSMC: "An academy of management, a school of high distinction, where the best of modern management practices would be taught."

Looking back, she spoke of a single building, a handful of faculty, and 60 students—what has since become today's Defense Systems Management College.

"Though its assets were indeed limited, the intellect, integrity, and commitment of its founder seemed infinite. Nevertheless, earlier this year, at the age of 84 and after a lifetime of distinguished public service and commercial achievement, the source and champion of all that is best about DSMC—David Packard—at last relinquished his post."

She spoke of the many ways in which Packard will be long remembered by the nation at large: for the products which bear his name in offices and homes across the country and around the world; and for the fact that this small manufacturer of electronic instruments formed by Packard and William Hewlett in 1939, is today the global producer of computer, biomedical, and analytical equipment known to many as simply, "HP."

Speaking of Packard's service to the nation, she recounted his service as President Richard Nixon's Deputy Secretary of Defense, and his receipt of the Presidential Medal of Freedom in 1988. "Earning a reputation for candor and independent thinking, Packard will be remembered by the many institutions, associations, and foundations to which he dedicated so much of his life, always the tireless worker on behalf of better science, stronger defense, and responsible citizenship."

Preston concluded her remarks by confirming that The David Packard Executive Conference Center could have found no better home than DSMC. "...DSMC stands second to no one in the respect it has for these achievements, nor in the fondness with which it will long recall the man himself. And that is our purpose today, to acknowledge and commemorate our debt to David Packard, the founder of the Defense Systems Management College."

E N D N O T E

Program Manager will feature an interview with Hon. John Douglass, Assistant Secretary of the Navy for Research, Development, and Acquisition, in its November/December 1996 issue.

HEMLOCK: YOU CAN'T DO ENOUGH TEAMBUILDING!

Esprit de Corps! Comradery! Can an organization really improve its quality through teambuilding exercises? The Division of College Administration and Services (DCAS) believes so, and recently worked on interpersonal relationships at Hemlock Overlook Park near Fort Belvoir in June—their third annual visit.

Army Col. William E. Knight, departing Dean of DCAS, and his staff participated in a wide range of problem solving experiences designed to create a tighter working bond between fellow employees that would allow them shared successes in the woods that they could return and apply to their workplace.

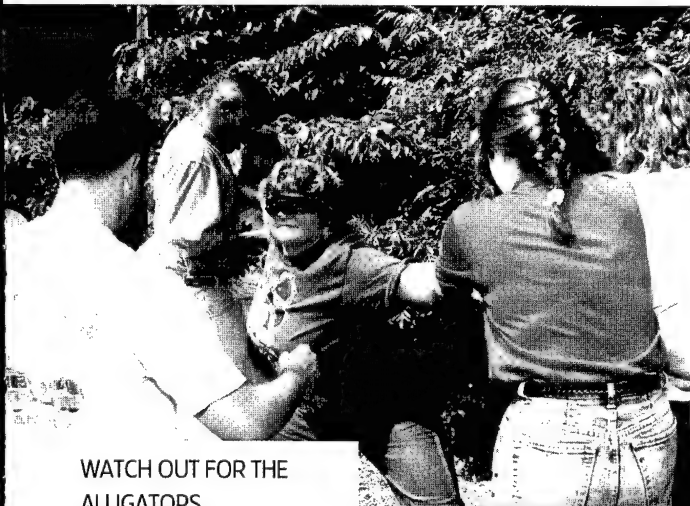
Skeptics and non-believers are often surprised after a day at Hemlock that they have gained respect for others, made new friends, and increased

their own self images. Swinging over a pond to retrieve a bucket, scaling a 12-foot wall with team help, rappelling on a zip wire for 150 yards over a 60-foot deep valley—all are challenges most people would miss during the daily grind. However, Hemlock puts people to these tests and more. Imagination is additionally sparked before each task by teamleader scenarios that may include tales of quicksand, swamps, alligators, isolated islands, hidden treasures, and other adventures that make the challenges more authentic.

An objective observer would see people, who seldom have the chance to interact at work, grabbing hands, catching each other, even hugging and tugging each other through different events. Strength and size take a second seat to cooperation and group decision making. Competition and criticism are considered "nonstarter" attitudes

and are highly discouraged in favor of constructive advice.

Although a day in the woods can certainly be exhausting, perhaps even drenching during the waterhole challenge or on humid days, most DCASers would agree that the day is more inspiration than perspiration—and teambuilding does occur even when it may be subtle and secondary to the fun and challenges. This trip was Knight's last hurrah for DCAS, but Hemlock in the last three years has become a part of the DCAS total quality training program, and has even been adapted by the faculty for teambuilding with students in several courses.



WATCH OUT FOR THE ALLIGATORS

PAT WARD IN A BLINDFOLD IS MOVED BY TEAMMATES FROM ONE "ISLAND" TO ANOTHER ACROSS STACKED BOARDS. THE OBJECT IS TO GET ALL PLAYERS FROM ONE ISLAND TO ANOTHER WITHOUT LOSING ANYONE. THE ISLANDS ARE MUCH SMALLER THAN THE GROUP FOOTPRINT, WITH PEOPLE OFTEN HANGING OFF THE EDGES.



UP THE 12-FOOT WALL

BRIAN KNIGHTON IS PUSHED AND PULLED UP A 12-FOOT WALL WITH THE HELP OF TEAMMATES. THE FIRST PERSON ON TOP AND THE LAST PERSON ON THE GROUND MUST TRAVEL VERTICALLY WITH THE HELP OF THE TEAM ONLY ON ONE END.



OVER THE POND

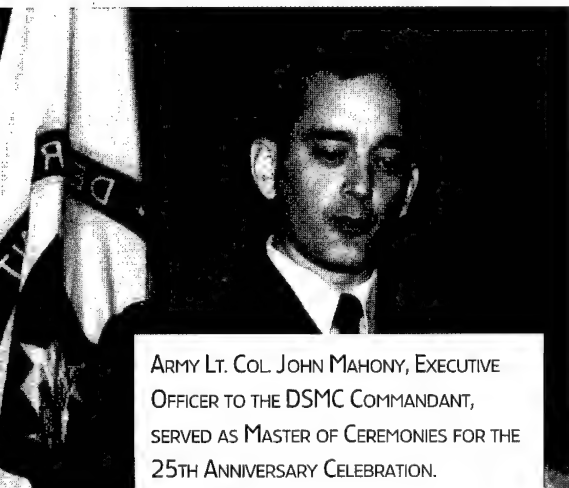
AIR FORCE STAFF SGT. STEPHEN ELIAS SWINGS OVER THE POND TO RETRIEVE A BUCKET OF WATER THAT MUST BE HANDED TO OTHERS ON THE BANK. SOMETIMES THE SWINGER IS BLINDFOLDED AND GETS ONLY VERBAL DIRECTION. THE PERSON ON THE ROPE MUST BE PROPELLED AND AIMED AT THE BUCKET AND EVENTUALLY CAUGHT BY PLAYERS ON THE OTHER BANK.

HAPPY BIRTH

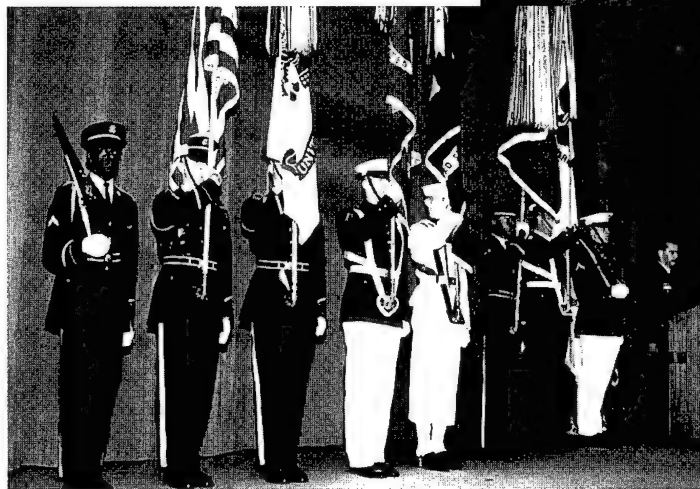
25 Years of Educating the Acquisition

"I and all the senior leadership at the Department of Defense consider the Defense Systems Management College to be a very critical agent of this [acquisition reform] kind of cultural change. You are producing the leaders for the acquisition system of the 21st Century, and you are helping today's leaders make that system a reality. There are few institutions doing more to ensure the future security of this country."

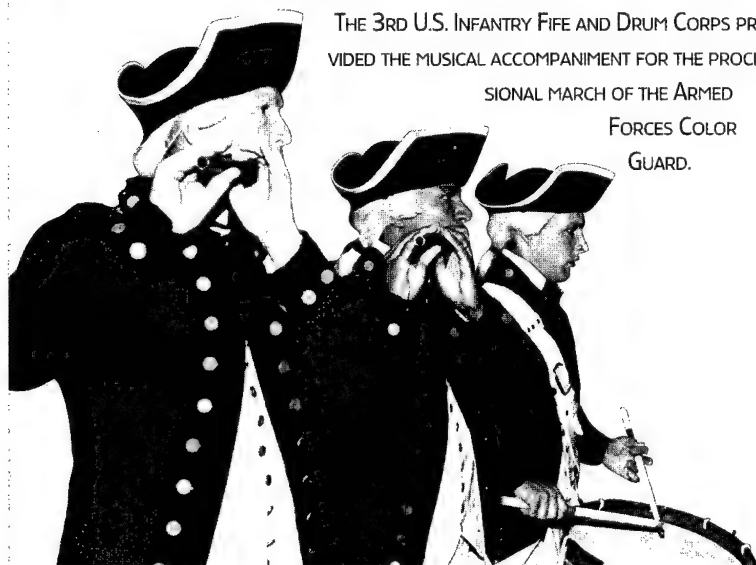
—Dr. Paul G. Kaminski
Under Secretary of Defense (Acquisition & Technology)
June 25, 1996



ARMY LT. COL. JOHN MAHONY, EXECUTIVE OFFICER TO THE DSMC COMMANDANT, SERVED AS MASTER OF CEREMONIES FOR THE 25TH ANNIVERSARY CELEBRATION.



THE ARMED FORCES COLOR GUARD PRESIDED OVER THE PRESENTATION OF COLORS.



THE 3RD U.S. INFANTRY FIFE AND DRUM CORPS PROVIDED THE MUSICAL ACCOMPANIMENT FOR THE PROCESSIONAL MARCH OF THE ARMED FORCES COLOR GUARD.

PROFESSOR PAUL MCLVAINE, FACULTY DIVISION, DSMC, SANG THE NATIONAL ANTHEM.



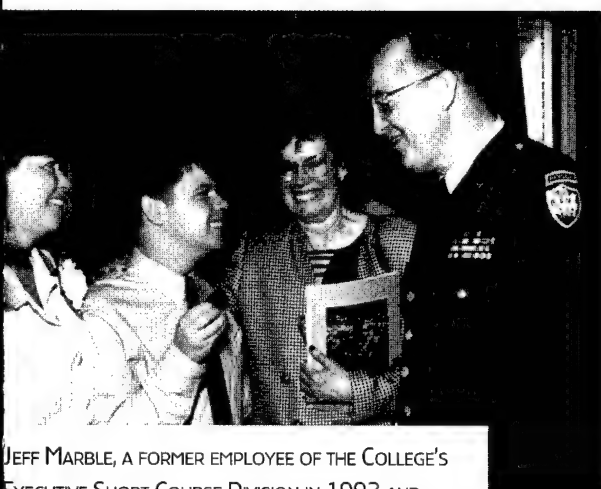
DAY D S M C

Workforce



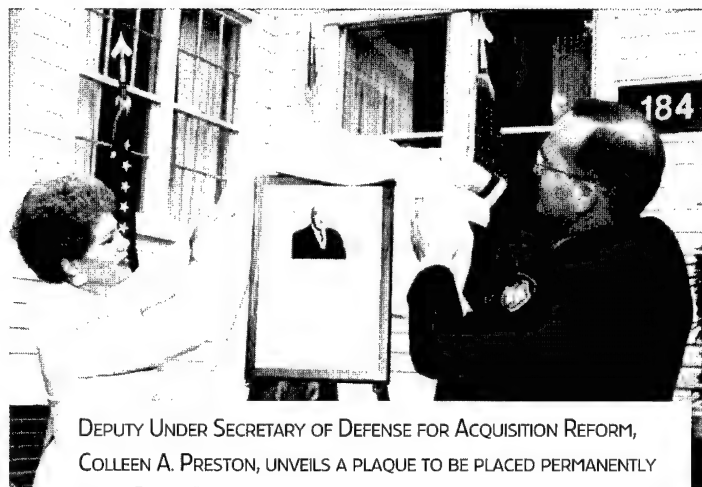
ELEVEN FORMER DSMC COMMANDANTS ATTENDED THE 25TH ANNIVERSARY CELEBRATION. SEATED FROM LEFT: AIR FORCE LT. GEN. (RET) JOHN G. ALBERT (2ND COMMANDANT); NAVY REAR ADM. (RET) WILLIAM L. VINCENT (11TH COMMANDANT); ARMY BRIG. GEN. RICHARD A. BLACK (CURRENT COMMANDANT); AIR FORCE BRIG. GEN. CLAUDE M. BOLTON, JR. (12TH COMMANDANT); NAVY REAR ADM. (RET) ROWLAND G. FREEMAN II (3RD COMMANDANT).

STANDING FROM LEFT: ARMY COL. (RET) JOHN B. HANBY, JR. (4TH COMMANDANT); ARMY MAJ. GEN. (RET) LYNN H. STEVENS (10TH COMMANDANT); NAVY REAR ADM. (RET) ROGER D. JOHNSON (8TH COMMANDANT); AIR FORCE BRIG. GEN. (RET) CHARLES P. CABELL (9TH COMMANDANT); ARMY BRIG. GEN. (RET) BENJAMIN J. PELLEGRINI (6TH COMMANDANT); ARMY COL. (RET) THOMAS V. FORBURGER (7TH COMMANDANT); AIR FORCE LT. GEN. (RET) WILLIAM E. THURMAN (5TH COMMANDANT).



JEFF MARBLE, A FORMER EMPLOYEE OF THE COLLEGE'S EXECUTIVE SHORT COURSE DIVISION IN 1993 AND ALUMNUS OF PULLEY VOCATIONAL CENTER, ADMIRES THE BRASS COIN HE RECEIVED FROM ARMY BRIG. GEN. RICHARD A. BLACK, REPRESENTING THE DSMC COMMANDANT'S AWARD FOR EXCELLENCE. PICTURED FROM LEFT: CATHY PEARSON, CHIEF, CIVILIAN PERSONNEL SERVICES OFFICE, DSMC; MARBLE PICTURED NEXT TO HIS MOTHER, MRS. MARBLE; BLACK.

Editor's Note: Not pictured is Ellen Davidson, an employee of the College's Protocol Office and former Pulley Vocational Center alumnus, who was also presented the same coin.)



DEPUTY UNDER SECRETARY OF DEFENSE FOR ACQUISITION REFORM, COLLEEN A. PRESTON, UNVEILS A PLAQUE TO BE PLACED PERMANENTLY IN THE DAVID PACKARD EXECUTIVE CONFERENCE CENTER. ASSISTING HER IS DSMC COMMANDANT, ARMY BRIG. GEN. RICHARD A. BLACK.



LOU JONES (RIGHT), A MEMBER OF THE AUTOMATION OPERATIONS AND EDUCATION DEPARTMENT, DSMC, RECEIVES A PLAQUE FROM THE DSMC COMMANDANT IN RECOGNITION OF HIS 24 YEARS OF SERVICE WITH DSMC — THE LONGEST PERIOD OF EMPLOYMENT FOR ANY COLLEGE EMPLOYEE.

European & Transatlantic Armaments Cooperation Symposium

Cooperative Programs — A Two-way Street

N O R E N E L . B L A N C H

Through the sponsorship of the Embassies of France, Germany, Great Britain, and Italy, a European and Transatlantic Armaments Cooperation Symposium was conducted on July 11, 1996. This one-day event was hosted by the Defense Systems Management College (DSMC) at Fort Belvoir, Va. The symposium provided an atmosphere where defense acquisition personnel from the United States, France, Germany, Italy, and the United Kingdom could focus on the issues associated with the practical application of international collaborative programs. Each country delivered a detailed presentation on how these issues actually play into the real-life collaborative situation, and shared the successes, failures, and lessons learned involving their individual projects.

Thoughts From the Commandant

The importance of this symposium was emphasized by Army Brig. Gen. Richard A. Black, DSMC Commandant, in his welcoming remarks to the Keynote Speaker, Dr. Paul G. Kaminski, Under Secretary of Defense for Acquisition and Technology. Black stated that the success of this symposium not only benefits DSMC, but supports all of the cooperative initiatives that are being sponsored in the United States and in other countries. Black further added, "Cooperative programs in Europe have a different connotation than cooperative programs have had historically here in the United States. We have tried to get the two-way street working, and inevitably it seems like one side or the other perceives the street as being one-way as opposed to a two-way street. Part of the effort of today's symposium is to make

sure that we understand one another and to help us to come up with a better way of doing business."

Dr. Kaminski's Vision for the Future

In his keynote address, Kaminski asserted, "I believe strongly that our national security and that of our friends and allies will be increasingly dependent on both bilateral and multilateral arms cooperation. The United States and its allies are being challenged to meet the increasing requirement to deploy military forces together in coalition operations and to do more with fewer resources." Kaminski continued by saying, "I think the underpinning of this cooperation will be a true shift toward giving much greater importance to the economic and industrial considerations in

the material acquisition programs that we will all be undertaking in the future."

What Needs to be Done?

"In order to be successful," stated Kaminski, "we need to harmonize our requirements processes earlier and increase incentives for teaming of our industry internationally, to include the removal of a number of barriers to international teaming and commercial industry participation as well."

What is Being Done?

Kaminski cited two examples of actions already taken by the Department of Defense to help the United States open defense programs to commercial industry and international competition. These were the adoption of the ISO 9000 series of standards for quality, and the ISO



It's "HANDS ACROSS" IN A SPIRIT OF COOPERATION AND AGREEMENT BETWEEN THE SYMPOSIUM PANEL MEMBERS AT THE EUROPEAN & TRANSATLANTIC ARMAMENTS COOPERATION SYMPOSIUM, HELD AT DSMC'S MAIN FORT BELVOIR CAMPUS, ON JUNE 11, 1996. PICTURED FROM LEFT: ALFRED VOLKMAN, UNITED STATES; GUILLAUME SCHLUMBERGER, FRANCE; JANE BINSTAD, UNITED KINGDOM; KLAUS BOSSE, GERMANY; LT. GEN. GIUSEPPE CAPIZZANO, ITALY; SIMON WEBB, BRITISH EMBASSY, PANEL MODERATOR.

Blanch is an Editorial Assistant, Visual Arts and Press Department, DSMC.

10012-1 standard for calibration. Kaminski continued by stating, "I believe these changes will make it easier for both commercial and international businesses compete on our contracts."

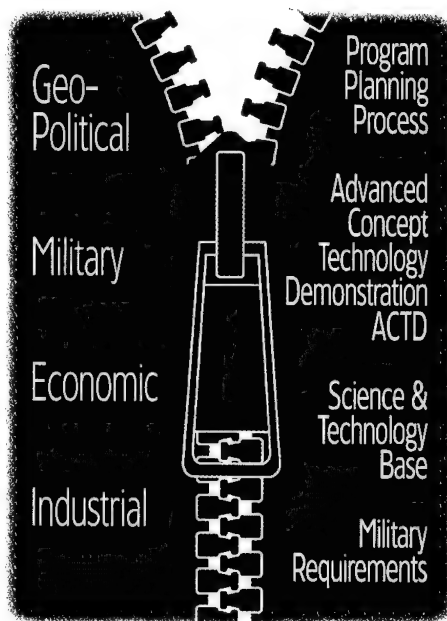
Fostering International Armaments Cooperation

Achieving effective international armaments cooperation has proven to be a complex undertaking. The program has evolved from the first emphasis being on common development of major defense systems to emphasis on cooperative development of common subsystems and supporting technologies for incorporation in U.S. and allied systems. According to Kaminski, "This has proven to be a more practical approach toward cooperative development that is opening up one and two tiers down in our major programs."

Removing the Barriers

A number of policy barriers concerning the processing of International Project Agreements have been removed by decreasing paperwork, shortening response times, and streamlining decision making and conflict resolution. "This new process," said Kaminski, "achieves the

Cooperative Program Initiatives — An "Interlocking Zipper"



spirit of cutting through the red tape and getting back to basics in our cooperative agreements." The result of the removal of these barriers was a reduction in the average review time for international project agreements from 130 to 30 days. "I think it is this kind of change that is removing impediments to armaments cooperation that will pay big dividends in the future."

What Initiatives Are Being Implemented?

In October 1995, the International Cooperative Opportunity Group (ICOG) was established by the Armaments Cooperation Steering Committee. Kaminski explained that this ICOG was divided into four different groups that are presently looking at what can be done to begin planning earlier for cooperative programs. Kaminski feels that the findings of these ICOGs will bring the United States more in line with the thought of early cooperation as practiced by our European counterparts.

Also in October 1995, the Defense Science Board was chartered by Kaminski to create a task force to look at our international programs. "The purpose of this task force," he explained, "is to envision the future of the international environment by looking at a time horizon

of 5 to 20 years into the future. It is close to completion of its job. The Board is examining a whole set of issues of defense armaments cooperation with this broader horizon." The present focus of this task force is on a model that promotes international cooperation while maintaining a basis for competition within the process.

To make our cooperative program initiatives viable, we need what Kaminski refers to as an "interlocking zipper" that connects together the geo-political, military, economic, and industrial elements connecting our major program planning process, science and technology (S&T) base, Advanced Concept Technology Demonstration (ACTD) base, and military requirements. "We are learning that we can no longer go it alone in the United States. Co-development or co-production must not always be sought only at the prime vendor level, but in many cases can exist at the common subsystem level as well. "We need to work harder as a team to provide greater visibility to the opportunity for common subsystem work and to create incentives for our industries to seek out these opportunities together."

In concluding his address, Kaminski conducted a brief question-and-answer session. Answering various questions from the participants, he touched on a variety of points based not only on his speech but the climate of cooperative programs as he sees it today.

What Are the Results?

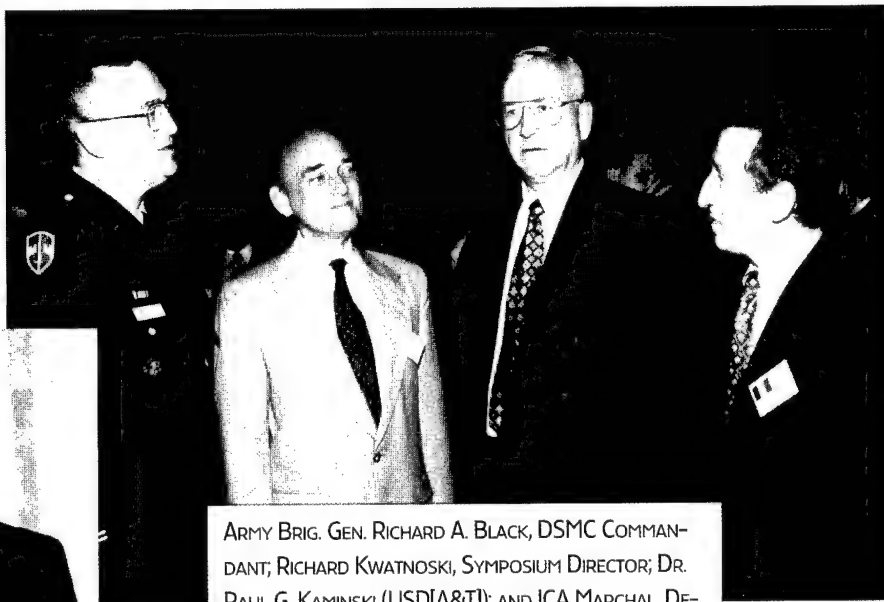
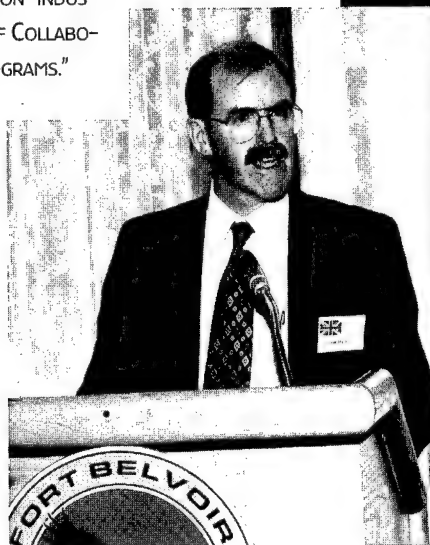
In the face of budget and military force reductions, collaborative programs offer program managers with an affordable alternative, which allows them to take advantage of the ever-evolving technological developments necessary in meeting the demands and requirements of defense agencies. As the symposium proceeded, the basic issues and purposes involved in the implementation of collaborative programs were echoed and reinforced through a line of communication transcending the differences in language and culture, and successfully linking the participants in an atmosphere of learning.



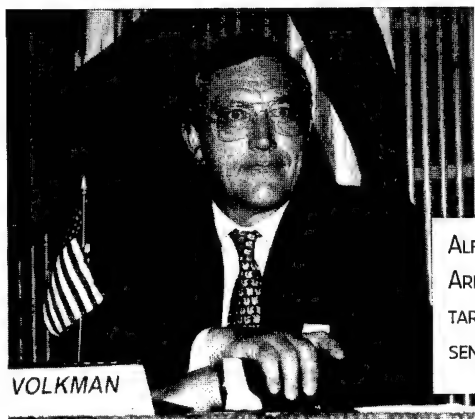
EUROPEAN AND TRANS COOPERATION SYMPOS

Understanding Differences • Removing Impediments

ALAN DARROCH, PROJECT DIRECTOR, BRITISH AEROSPACE, DELIVERS LUNCHEON ADDRESS ON "INDUSTRIAL PERSPECTIVE OF COLLABORATIVE DEFENSE PROGRAMS."



ARMY BRIG. GEN. RICHARD A. BLACK, DSMC COMMANDANT; RICHARD KWATNOSKI, SYMPOSIUM DIRECTOR; DR. PAUL G. KAMINSKI (USD[A&T]); AND ICA MARCHAL, DEFENSE COOPERATION ATTACHÉ, EMBASSY OF FRANCE, ATTEND A RECEPTION HOSTED BY THE FRENCH EMBASSY.



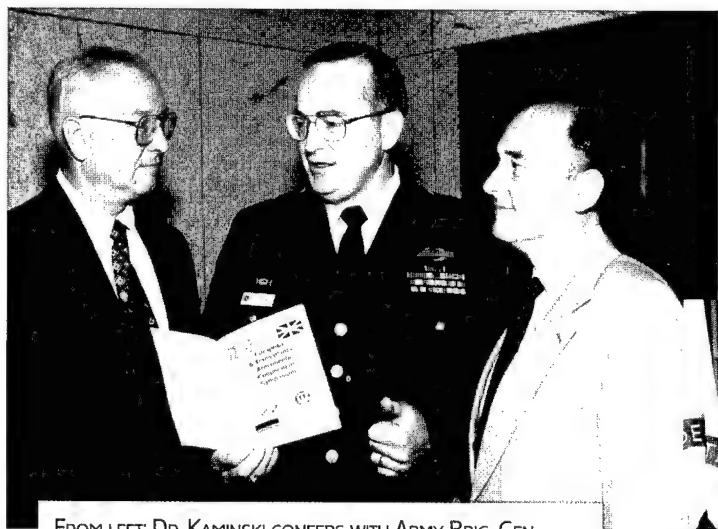
ALFRED G. VOLKMAN, PRINCIPAL DIRECTOR FOR ARMAMENTS COOPERATION, OFFICE OF THE SECRETARY OF DEFENSE, WAS AMONG THE OSD REPRESENTATIVES ATTENDING THE SYMPOSIUM.



SYMPOSIUM SUPPORT STAFF. FROM LEFT: SYLVIE DROUET, FRENCH EMBASSY; KARINE LECLERC, FRENCH EMBASSY; LISA HICKS, DSMC.

ATLANTIC ARMAMENTS SYMPOSIUM — JUNE 11, 1996

Fostering International Cooperative Educational Programs



FROM LEFT: DR. KAMINSKI CONFERS WITH ARMY BRIG. GEN. RICHARD A. BLACK, DSMC COMMANDANT; AND SYMPOSIUM DIRECTOR, RICHARD KWATNOSKI, PRIOR TO DELIVERING THE KEYNOTE ADDRESS.

UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND TECHNOLOGY, DR. PAUL G. KAMINSKI, DELIVERS THE KEYNOTE ADDRESS. KAMINSKI'S MESSAGE EMPHASIZED DoD'S COMMITMENT TO ARMAMENTS COOPERATION, COALITION OPERATIONS, AND THE RAMIFICATIONS OF REDUCED DEFENSE BUDGETS FOR ALL THE PARTICIPATING NATIONS.



EUROPEAN AND TRANSATLANTIC ARMAMENTS COOPERATION SYMPOSIUM ORGANIZERS. FROM LEFT: LISA HICKS, DSMC; RICHARD KWATNOSKI, SYMPOSIUM DIRECTOR; DIETHELM STEPHEN, GERMAN EMBASSY; BRIAN HOUSTON, BRITISH EMBASSY; DON HOOD, DSMC; SIMON WEBB, BRITISH EMBASSY; COL. UBALDO SERINO, ITALIAN EMBASSY; CLAUDIO BISOGNIERO, ITALIAN EMBASSY; KARINE LECLEERC, FRENCH EMBASSY; ROBERT RANQUET, FRENCH EMBASSY; SHARON BOYD, DSMC.

DURING A RECEPTION AT THE FRENCH EMBASSY IMMEDIATELY FOLLOWING THE SYMPOSIUM, PAGE HOEPER, NEWLY DESIGNATED DEPUTY UNDER SECRETARY OF DEFENSE FOR INTERNATIONAL AND COMMERCIAL PROGRAMS, MEETS ARMY BRIG. GEN. RICHARD A. BLACK, DSMC COMMANDANT.



Navy PEO Delivers Remarks to Navy League Panel on Acquisition Reform & Progress

Minimize Burdensome Oversight, Optimize Empowerment of Team Members, & Maximize Initiative & Innovation

DANIEL P. CZELUSNIAK

Let me preface my remarks by saying that my references to "we and our" are meant to apply to both government and industry...the entirety of our defense team. My intent today is to give you some food for thought and issue a challenge which I hope you'll take back to your respective organizations and consider. I'll also try to fulfill Dutch Schoultz's expectation that I would be controversial enough to generate some spirited dialogue between the audience and the panel. I can't think of any other reason why he would have invited me to participate on a panel with such a venerable pair as Colleen Preston and Bill Bowes. I will be brief. But I'm going to say a lot, and I won't say it twice. So please tune your receivers to my frequency for the next few minutes.

Introduction

When I was asked to participate on this panel to represent the program manager and program executive officer perspec-

Editor's Note: Mr. Daniel P. Czelusniak, former Program Executive Officer for Air, Anti-Submarine Warfare, Assault and Special Mission Programs, addressed the Navy League Panel on Acquisition Reform, on April 2, 1996, at the Washington Sheraton Hotel, Washington D.C. The panel included Mrs. Colleen Preston, Deputy Under Secretary of Defense (Acquisition Reform); Navy Vice Adm. William Bowes, Principal Deputy Assistant Secretary of the Navy (Research, Development & Acquisition); and Czelusniak. Czelusniak's remarks appear below in their entirety.

tive on the progress we've made in acquisition reform, I gladly accepted. I did so because (1) I thought it would be easy to articulate the positive impact acquisition reform has had on the management of defense programs; and (2) even though we've only been at this in earnest for less than three years, it's already difficult for me to imagine getting the job done if we ever had to revert back to the "pre-acquisition reform" methods in the weapon systems acquisition business. It's kind of like trying to imagine communication without electronic mail.

How Do We Measure Acquisition Reform Progress?

The fact of the matter is, though, notwithstanding the anecdotal evidence we have with respect to reduced cycle times and estimated costs, that it is very difficult to provide a quantitative answer to the ultimate measure of acquisition reform progress. That is, have we fundamentally reduced the cost of doing defense busi-

ness and the cost of the systems we provide to our servicemen and women? The combined effects of top-line budget reductions, personnel cutbacks, infrastructure downsizing, and industrial base reshaping make cause and effect relationships ambiguous, and the segregation of cost savings attributable to acquisition reform

initiatives virtually impossible. Moreover, even if we could shred the data to reach a meaningful conclusion, we simply haven't applied the concepts long enough to validate an outcome. We're operating largely on the basis of relative cost estimates and projected cost avoidances when we discuss the fiscal impact of acquisition reform.

So how can we discuss progress? What is meaningful as a benchmark of whether we are succeeding in reforming ourselves and our processes? These are the kinds of questions to which the Department is currently hunting for answers, in a frenzy of metrics identification and data gathering. The chest pounding has already begun with each Service trying to outdo the other in demonstrating progress in acquisition reform. In the end, I'm not sure the data will tell us anything we don't already know intuitively and from the anecdotal evidence. I worry that in our thirst for documentation of progress

Czelusniak was the Program Executive Officer for Air, Anti-Submarine Warfare, Assault and Special Mission Programs, a distinct activity in the Navy chain of responsibility under the overall oversight of the Office of the Assistant Secretary of the Navy (Research, Development & Acquisition). He is presently the Deputy Director for Navy International Programs.

DANIEL P CZELUSNIAK

Former Program Executive Officer Air, Anti-Submarine Warfare, Assault and Special Mission Programs

Mr. Daniel P. Czelusniak is a native of Springfield, Massachusetts. After receiving his Bachelor of Science Degree in Mechanical Engineering from Northeastern University in 1968, he joined the Naval Air Systems Command and completed their engineer/scientist development program in 1971.

From 1971 to 1977, he held a variety of project engineering positions supporting Naval helicopter and fighter aircraft propulsion system programs. In 1973, Czelusniak earned his Master of Business Administration Degree from George Washington University.

He served as the Technical Director, and later as Assistant Division Director, Aviation Support Equipment Division, from 1977 to 1983. In 1983, Czelusniak earned a Navy Executive Management Fellowship and was awarded his Master of Public Administration Degree from Harvard University one year later. Upon his return from Harvard he was assigned as Deputy Program Manager for the LAMPS MK III and H-60 anti-submarine warfare (ASW) helicopter programs, and served in that capacity until November 1987.

Subsequently he assumed responsibility as Program Director, Air Launched Weapons and Armament Programs. Oversight included all air-to-air missiles, aerial targets, anti-ship missiles, and strike weapons. His three-year tenure concluded in April 1990 when he was appointed as Deputy Program Executive Officer, followed by his appointment in June 1991 as Program Executive Officer for the Air ASW, Assault and Special Mission programs, reporting to the Assistant Secretary of the Navy for Research, Development and Acquisition.

Czelusniak has been a Senior Executive Service officer since 1987. He is a graduate of Naval Air Systems Command's Senior Executive Management Development Program, a member of the Pi Tau Sigma National Honor Fraternity of Mechanical Engineers, and a designated Civilian Materiel Professional.



MR. DANIEL P. CZELUSNIAK, FORMER PROGRAM EXECUTIVE OFFICER FOR AIR, ANTI-SUBMARINE WARFARE, ASSAULT AND SPECIAL MISSION PROGRAMS, ADDRESSED THE NAVY LEAGUE PANEL ON ACQUISITION REFORM, ON APRIL 2, 1996, AT THE WASHINGTON SHERATON HOTEL, WASHINGTON D.C.

we may focus on acquisition reform as an end unto itself and lose perspective of it as a means to the end it was originally intended to help achieve.

The questions we should be asking ourselves at this point I think are simple. As policy makers, have we facilitated the ability of our managers to effectively execute programs by minimizing burdensome statutory and regulatory oversight and reporting requirements? As managers, have we empowered our team members, through clear delegation guidelines, training and trust, with the authority

to make decisions and implement innovative solutions to complex problems? As team members, have we demonstrated initiative in response to the increased latitude and empowerment we have been given to innovate? If we can answer affirmatively to these questions, the ultimate measures of progress, i.e., reduced cost of doing business and reduced cost of defense systems, will take care of themselves.

On the subject of each of these questions, there is ample evidence to indicate we have made substantial

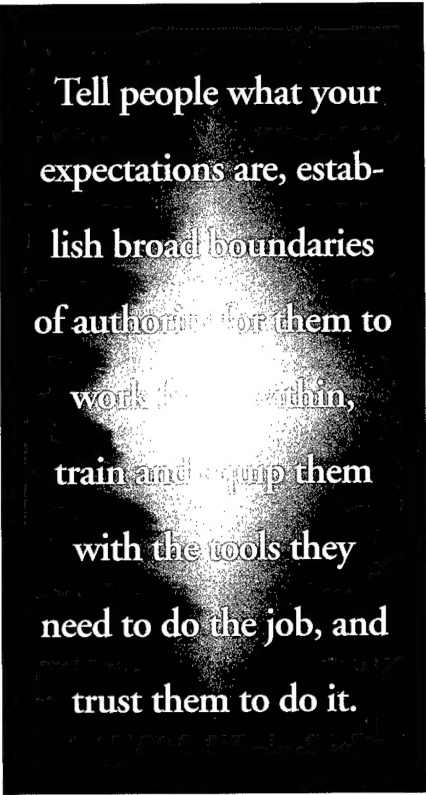
progress. The Federal Acquisition Reform Act, the Federal Acquisition Streamlining Act, the revised 5000 series acquisition regulations, and the reduced reliance on military specifications and standards have all been significant in minimizing restrictions on managers. The application of the Integrated Product and Process Development concept and the use of integrated teams with industry and within DoD have easily been the most important factors to date in improving the way we plan and execute defense programs, because of the strength em-

powerment of team members brings to the equation. The willingness to accept commercial approaches to satisfy military requirements, implementation of plant-wide single process initiatives, and reinvention laboratory concepts all provide examples of opportunities for team members to achieve innovative reform of existing methods.

Have we done enough as policy makers, managers, and team members? The answer is emphatically, no! The fact is that if you want to continually improve, you can never do enough to minimize burdensome oversight, optimize empowerment of team members, and maximize initiative and innovation. My sense is that surprisingly, we as team members are lagging the policy makers and managers in progress on acquisition reform. That is to say, we have been slow to react to the call for change. There is, after all, comfort in knowing how we've done something in the past and being able to calculate the associated risks.

Making these changes is hard, whether you're in government or industry. That's why now, for example, you hear some industry officials saying they'd rather respond to military specifications and standards than convert to commercial approaches, or at least they would prefer to proceed cautiously with conversion. That's why, for example, in some industry sectors, the silence in response to the single process initiative has been deafening. That's why, for example, you hear some government officials discount outright, the idea that commercial support and contractor configuration management can be viable in military applications. That's why, for example, despite repeated emphasis on the importance of program stability to reducing the cost of defense systems, to date we have been incapable of stabilizing even the most critical of our programs.

As team members, we hold the key to the success of acquisition reform. That success is limited only by our determination to try new and imaginative things to prove they can be done so others will be encouraged to try. Most of us here today, at our own level, are policy mak-



**Tell people what your
expectations are, estab-
lish broad boundaries
of authority for them to
work freely within,
train and equip them
with the tools they
need to do the job, and
trust them to do it.**

ers, managers, and team members all in one. I certainly am as a program executive officer. So today, I'm appealing to the team member in all of us. We've been given the wherewithal to press ahead with new ideas and initiatives. Maybe not everything we think we need — work will continue to that end — but certainly enough for us to stop making excuses and step off the plateau of business as usual. We are challenged to respond.

Let me share some of the ways we are responding on programs I am associated with in naval aviation so you can get an appreciation for how far we've come in acquisition reform.

Integrated Product Teams

I'll start with Integrated Product Teams, an idea which we adopted, of course, from industry. Most of our major programs have had IPTs in place for a number of years, and the results in every instance have been extremely positive. And why should we be surprised by that? This is a concept that taps into the seemingly limitless capacity of the human spirit for accomplishment. Tell people what your expectations are, establish broad boundaries of authority for them to work freely within, train and equip

them with the tools they need to do the job, and trust them to do it. What a novel concept!

As a direct result of applying integrated product teams in V-22 development, we are about to initiate low rate initial production of a tiltrotor aircraft which is 500 pounds below its empty weight target. The fuselage parts count is down 36 percent from the baseline design, and the projected savings in production are \$3 to 5 billion compared to estimates made prior to entering the engineering and manufacturing development phase.

The P-3C Anti-surface Warfare Improvement Program offers other dramatic evidence of the influence IPTs, which include customers, have had. Layout of the aircraft tactical console was completed and agreed to in three days. Previously, efforts of comparable complexity have taken months to finalize. From initiation to deployment, the Maverick missile capability portion of the program was implemented in one year, less than half the normal lead time of like efforts. The SAT-COM antenna combiner production competition, normally a two-year cycle time, was compressed to 10 months. All of these things accomplished through IPTs, avoided an estimated \$29 million in cost.

The application of Integrated Product Teams within the DoD and Service staffs (we call them Integrated Program Teams) is relatively new, but already contributing to reducing cycle times and eliminating laborious program reviews. The great side effect is that it has reenergized an entire workforce of checkers and gatekeepers and given them an opportunity to become participants and contributors to program achievement.

Even auditors can function more efficiently in an IPT construct. In cooperation with the Naval Audit Service, we've been piloting a new concept of auditing which has been an unqualified success. The concept employs a full-time auditor on our leadership team with responsibility for continuous, real-time auditing from within. Audit opinions are provided early and directly to program managers

so corrective action can be taken immediately to address problems before they get to a critical or costly stage. The approach builds trust, eliminates rework, and yields coherent programs without compromising the independence of the auditing role.

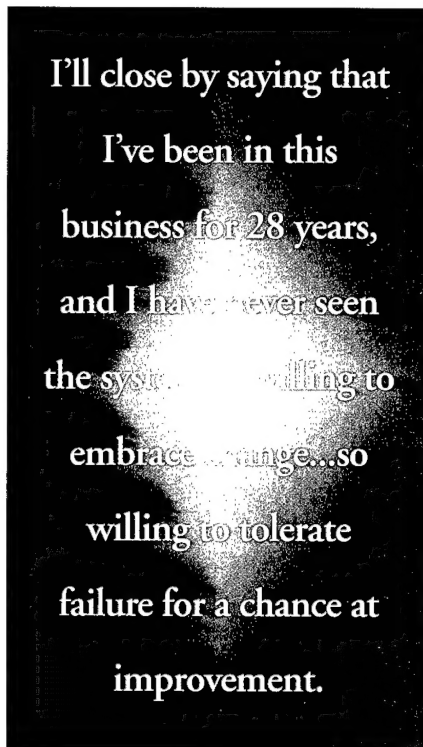
Performance Specifications

Let's turn now to the subject of performance versus "how to" specifications. The reduced reliance of military specifications and standards is an initiative on which the jury is still out in terms of validation of cost savings. As a surrogate measure of acquisition reform progress, however, we are having success in reducing reference to prescriptive documents. The H-1 helicopter upgrade program is one I can point to as representative of the results achieved. The number of military specifications and standards cited has been reduced from 398 to 5. Another is the Joint Primary Aircraft Training system which, you may know, recently referred to 41 military specifications. This compares to the 313 we called out for the T-45 jet flight training system years ago. Virtually every new development on the street these days reflects similar metrics. So in this regard, I'd say we are making good progress in the latitude we are giving industry to meet our performance requirements.

Reinvention Laboratory

There are three notable things we are doing that belong under the heading of reinvention laboratory initiatives and which have produced exciting results. First, on the V-22 program we have a lead effort in DoD to establish a standardized, non-proprietary electronic data interchange capability associated with cost performance reporting. The initiative has reduced reporting cycle time by 50 percent, thus enabling the use of Cost Performance Report data obtained directly from the contractor's database for proactive decision making vice reactive problem solving.

Second, the Alpha contracting approach, first used on the H-60 helicopter upgrade program to reduce contracting cycle time (draft Request for Proposal



to award) from an average of 12 months to 3.5 months, is gaining wide acceptance as a preferred practice. The approach is simply one in which a government and contractor team is put in place to negotiate work scope concurrently with proposal preparation.

Third, we are in the final stages of validating a program assessment methodology, which translates technical performance measurement into earned value. This is being done in cooperation with DSMC and the Institute for Defense Analysis in a retrospective validation on the T-45 digital cockpit upgrade program. Results to date have yielded excellent data correlation. If proven successful, it would be the first known method to meaningfully link technical with cost and schedule performance measurement to determine true earned value. The implications for cost avoidance are huge.

Commercial Approaches to Government Acquisition

Finally, some comments about commercial approaches in development and support. We are saving time and money through the use of Commercial Off-the-Shelf Software and Nondevelopmental Items. As an illustration, on the P-3C

Anti-surface Warfare Improvement Program: (1) the cost of high-resolution color displays was reduced by a factor of six (from \$100 thousand to \$16 thousand) by using ruggedized commercial equivalents of military qualified equipment; (2) the cost of SATCOM radios was reduced by over 50 percent (\$390 thousand to \$185 thousand); and (3) cycle time from MS 0 to MS III was reduced to less than two years.

If you are in the support business, you need to be aware that we are making an attempt to implement flight line to original equipment manufacturer support concepts on some of our major aircraft programs — like the V-22, H-1, and T-45. These are affectionately referred to as "O to OEM" concepts in which we envision giving system contractors responsibility for configuration management and logistics support using the worldwide commercial support infrastructure in lieu of establishing government intermediate and depot-level capability. They represent major departures from the status quo and bear watching as barometers of the future.

Concluding Remarks

After that quick rundown of only some of the examples of acquisition reform results and initiatives in the Program Executive Office for Air, Anti-Submarine Warfare, Assault and Special Mission Programs, I hope I've provided enough evidence to confirm that we have made substantial progress. But, there is infinitely more we can and must do.

I'll close by saying that I've been in this business for 28 years, and I have never seen the system so willing to embrace change...so willing to tolerate failure for a chance at improvement. The nation literally cannot afford for us to let this opportunity slip through our fingers. The recapitalization and modernization of our armed forces and the viability of our defense industrial base depend largely on how successful we can be. I encourage all of you in industry and government alike, to be proactive in accepting the challenge so we can, in fact, achieve the promise of acquisition reform. Thank you.

FROM THE COMMANDANT

After the eventful summer just past, I'd like to mark once more what Dr. Paul Kaminski, Under Secretary of Defense (A&T), has labeled, in the words of Winston Churchill, "the end of the beginning."

Dr. Kaminski used that phrase during his introductory remarks for Acquisition Reform Day, the one-day 'stand down' observed throughout the Acquisition Corps in early summer. He was, of course, referring to the fact that the building blocks of acquisition reform seem firmly in place. Reforms embodied in legislation and the new DoD 5000 series should, when coupled with such new efforts as the Single Process Initiative and the Electronic Commerce/Electronic Data Interchange, serve as a platform for achieving acquisition that is better, faster, and cheaper than ever before.

As an indicator of how these measures are being received, it's worth noting that more than 100 concept papers — the first step in the Single Process Initiative — have been received from contractors. At the other end of the process, a recent single block change beneficially impacted 884 contracts at 16 separate contractor facilities. More broadly, anecdotal evidence indicates that savings resulting from reform are beginning to be seen in major programs as well as small purchases, from C-17s to socks and T-shirts.

Nevertheless, these results shouldn't lead us to believe that the reforms, even though they are now embodied in law and directive, have become standard operating procedure throughout

the Acquisition Corps. They must continue to be communicated.

More importantly for DSMC, they must also be taught. In this sense, the 25th Anniversary of DSMC over the summer is but another facet of "the end of the beginning." The College must now serve as a catalyst for cultural change, as Dr. Kaminski said, ensuring that the reforms and initiatives become standard practice. Though we will always draw on the vision, intellect, integrity and commitment of David Packard and all who've followed him at DSMC, new methods and means of communicating and teaching are in the air. The Acquisition Desk Book went on line in June, and faculty members at DSMC and elsewhere across the DAU consortium are already participating in the "Ask a Professor" feature posted on the World Wide Web. The electronic classroom is no longer 'over the horizon,' it seems, but merely 'around the corner.'

That leads me to a topic you'll see again in this space: DSMC as an integral, *innovative* part of the new multi-channel, just-in-time world of communications required by continuous acquisition reform. It's an exciting subject, and I look forward to discussing it with you in the near future.

—Brig. Gen. Richard A. Black, USA
Commandant



SPECIAL FEATURE — DSMC CELEBRATES 25TH ANNIVERSARY



See p. 43 for photo identification.